

# Water Fund

Fiscal Year 2026 Operating Budget

## Fund Overview

ADOPTED BUDGET		PROPOSED BUDGET
	FY2025	FY2026
<b>Revenues</b>		
Revenue-Use Money/Property	\$461,060	\$760,010
Charges for Services	\$9,001,076	\$9,627,820
Miscellaneous Revenue	\$128,000	\$161,000
Recovered Cost	\$10,000	\$6,000
<b>REVENUES TOTAL</b>	<b>\$9,600,136</b>	<b>\$10,554,830</b>
<b>Operating Expenses</b>		
Administration Services	\$2,747,616	\$2,801,280
Debt Service	\$557,230	\$1,088,190
Distribution	\$1,059,578	\$1,219,500
Engineering	\$355,351	\$391,490
Laboratory	\$108,893	\$115,270
Meters & Regulators	\$154,191	\$159,440
Operations - Industrial	\$357,359	\$180,710
Operations - Main	\$1,517,359	\$1,645,550
Regular Capital Maintenance	\$816,715	\$996,290
Service	\$433,333	\$467,570
Treatment	\$474,663	\$497,560
<b>OPERATING EXPENSES TOTAL</b>	<b>\$8,582,287</b>	<b>\$9,562,850</b>
<b>Other</b>		
Depreciation	\$1,519,860	\$1,442,130
<b>OTHER TOTAL</b>	<b>\$1,519,860</b>	<b>\$1,442,130</b>
<b>Total Operating Expense</b>	<b>\$10,102,147</b>	<b>\$11,004,980</b>
<b>Contribution to General Fund</b>	<b>\$966,300</b>	<b>\$985,300</b>
<b>Total Expenditures</b>	<b>\$11,068,447</b>	<b>\$11,990,280</b>
<b>Add - Depreciation</b>	<b>\$1,519,860</b>	<b>\$1,442,130</b>
<b>Total Expenditures (less depreciation)</b>	<b>\$9,548,587</b>	<b>\$10,548,150</b>
<b>Revenue in excess of Operating Expense</b>	<b>\$51,549</b>	<b>\$6,680</b>
<b>Revenues Over (Under) Expenses</b>	<b>\$51,549</b>	<b>\$6,680</b>

# Major Revenue Sources

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 2,000 customers and the industrial customer class represents approximately 30 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 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.

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET		
	FY2023	FY2024	FY2025	FY2026		Increase/ (Decrease)
Revenues						
Revenue-Use Money/Property	\$242,926	\$272,479	\$461,060	\$760,010		\$298,950
Charges for Services	\$8,126,112	\$8,954,330	\$9,001,076	\$9,627,820		\$626,744
Miscellaneous Revenue	\$130,977	\$1,427,265	\$128,000	\$161,000		\$33,000
Recovered Cost	\$5,197	–	\$10,000	\$6,000		(\$4,000)
Other Revenue	(\$99,359)	\$93,671	–	–		\$0
REVENUES TOTAL	\$8,405,853	\$10,747,745	\$9,600,136	\$10,554,830		\$954,694

# Water Distribution Administration

## 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

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$139,375	\$147,199	\$137,512	\$145,930	\$8,418
Employee Benefits	\$14,421	\$14,721	\$48,109	\$50,480	\$2,371
Purchased Services	\$94,329	\$109,649	\$97,575	\$135,035	\$37,460
Internal Service	\$121,428	\$102,506	\$99,740	\$108,780	\$9,040
Other Operating Expense	\$52,927	\$63,606	\$80,525	\$83,825	\$3,300
Cost Allocation	\$205,200	\$199,951	\$334,953	\$411,150	\$76,197
Capital Expenses	–	\$2,685	\$500	\$500	\$0
Depreciation	\$1,432,641	\$1,441,187	\$1,396,990	\$1,319,810	(\$77,180)
Debt Service	\$248,247	\$60,386	\$0	\$0	\$0
EXPENSES TOTAL	\$2,308,568	\$2,141,889	\$2,195,904	\$2,255,510	\$59,606

## Personnel

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

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
DIVISION DIR OF WATER & GAS	0.5	0.5	0.5	0.5
FLEET & FACILITIES MANAGER	1	1	1	1
<b>FTES</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

# Water Engineering

## 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

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$173,743	\$209,592	\$234,480	\$248,485	\$14,005
Employee Benefits	\$18,874	\$24,296	\$28,655	\$32,150	\$3,495
Purchased Services	\$2,121	\$3,491	\$48,267	\$62,150	\$13,883
Internal Service	\$53	–	–	–	\$0
Other Operating Expense	\$13,031	\$8,756	\$27,035	\$33,705	\$6,670
Capital Expenses	\$7,599	\$7,828	\$16,913	\$15,000	(\$1,913)
EXPENSES TOTAL	\$215,421	\$253,963	\$355,351	\$391,490	\$36,139

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
CONSTRUCTION INSPECTOR	0.5	0.5	0.5	0.5
SENIOR SECRETARY	0.25	0.25	0.25	0.25
W&G CHIEF ENGINEER	0.5	0.5	0.5	0.5
W&G COMPLIANCE COORDINATOR	0.5	0.5	0.5	0.5
W&G CORROSION TECHNICIAN	0.5	0	0	0
W&G PROJECT ENGINEER	0	0.5	0	0
W&G SR ENGINEERING TECHNICIAN	1	1	1	1
W&G SR GIS/CAD TECHNICIAN	0	0	0.5	0.5
WG GIS ENGINEERING TECHNICIAN	1	1	0.5	0.5
<b>FTEs</b>	<b>4.25</b>	<b>4.25</b>	<b>3.75</b>	<b>3.75</b>

# Water Distribution

## 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

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$438,834	\$439,158	\$721,601	\$714,270	(\$7,331)
Employee Benefits	\$47,291	\$49,184	\$85,002	\$89,140	\$4,138
Purchased Services	\$62,045	\$128,890	\$90,313	\$181,560	\$91,247
Internal Service	—	—	\$600	\$600	\$0
Other Operating Expense	\$218,980	\$356,145	\$390,609	\$476,100	\$85,491
Capital Expenses	\$747	\$109	\$5,960	\$1,760	(\$4,200)
Labor Expense Cross	\$2	\$67	—	—	\$0
EXPENSES TOTAL	\$767,899	\$973,552	\$1,294,085	\$1,463,430	\$169,345

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
DISPATCHER	0.5	0.5	0.5	0.5
MOTOR EQUIPMENT OPERATOR II	0.77	0.25	0	0.5
MOTOR EQUIPMENT OPERATOR III	0.39	0.5	0	0
UTILITIES PIPELINE TECH I	0	0	0	3.5
UTILITIES PIPELINE TECH II	0	0	0	1
UTILITIES PIPELINE TECH III	0	0	0	0.5
UTILITIES PIPELINE TECHNICIAN I	1.04	3	3.75	0
UTILITIES PIPELINE TECHNICIAN II	0	0	1.75	0
UTILITIES PIPELINE TECHNICIAN III	0	0	0.5	0
W&G CNST CREW SUPERVISOR	0	0	0	0.25
W&G CONSTRUCTION CREW SUPERVSR	0.26	0	0	0
W&G CORROSION/WELDING SUPV	0	0	0.5	0.5
W&G CREW SUPERVISOR	0.39	1.25	1.5	1.75
W&G DISTRIBUTION SUPERINTENDEN	0.5	0.5	0.5	0.5
W&G SERVICE TECHNICIAN	3.5	3.5	3.5	3.5
W&G SYSTEMS CONTROL SUPERINTEN	0.25	0.25	0.25	0.25
W&G WELDER/CREW SUPERVISOR	0.13	0.25	0	0
<b>FTEs</b>	<b>7.73</b>	<b>10</b>	<b>12.75</b>	<b>12.75</b>

# Water Distribution Service

## Description

Water Distribution Service installs copper setters for water meters, and associated appurtenances for new water service lines. Additionally, this division investigates and repairs reported water service leaks and responds to water emergencies.

## Expenditures

ACTUAL			ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$49,582	\$69,443	\$124,701	\$111,380	(\$13,321)
Employee Benefits	\$5,019	\$7,367	\$14,050	\$12,790	(\$1,260)
Purchased Services	–	–	\$500	\$500	\$0
Public Assistance	\$0	–	–	–	\$0
Other Operating Expense	\$25,631	\$79,480	\$59,574	\$98,970	\$39,396
<b>EXPENSES TOTAL</b>	<b>\$80,232</b>	<b>\$156,290</b>	<b>\$198,825</b>	<b>\$223,640</b>	<b>\$24,815</b>

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
UTILITIES PIPELINE TECH I	0	0	0	1.5
UTILITIES PIPELINE TECH II	0	0	0	0.5
UTILITIES PIPELINE TECHNICIAN I	1.04	3	1.25	0
UTILITIES PIPELINE TECHNICIAN II	0.77	0.25	0.25	0
UTILITIES PIPELINE TECHNICIAN III	0.39	0.5	0	0
W&G CNST CREW SUPERVISOR	0	0	0	0.25
W&G CONSTRUCTION CREW SUPERVSR	0.26	0	0	0
W&G CREW SUPERVISOR	0.39	1.25	1	0.25
W&G WELDER/CREW SUPERVISOR	0.13	0.25	0	0
<b>FTEs</b>	<b>2.98</b>	<b>5.25</b>	<b>2.5</b>	<b>2.5</b>

# Water Meters & Regulators

## Description

The Water metering 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

	ACTUAL	ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	\$70,744	\$74,252	\$79,694	\$84,020	\$4,326
Employee Benefits	\$8,008	\$9,009	\$10,395	\$11,670	\$1,275
Purchased Services	\$1,270	\$912	\$1,480	\$1,500	\$20
Other Operating Expense	\$21,337	\$44,413	\$62,622	\$62,250	(\$372)
EXPENSES TOTAL	\$101,359	\$128,586	\$154,191	\$159,440	\$5,249

## Personnel

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

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
W&G METER TECHNICIAN	0.9	1	1	1
W&G SYSTEMS CONTROL SUPERINTEN	0.25	0.25	0.25	0.25
<b>FTEs</b>	<b>1.15</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

# Water Distributions Capital

## 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

	ACTUAL		ADOPTED BUDGET	PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$63,883	\$87,442	\$4,200	\$4,200	\$0
Employee Benefits	\$6,744	\$9,400	\$321	\$320	(\$1)
Purchased Services	\$1,881,818	\$3,022,542	\$93,660	\$128,440	\$34,780
Other Operating Expense	\$680,401	\$2,599,088	\$358,534	\$499,650	\$141,116
Capital Expenses	\$157,854	\$151,136	\$185,000	\$163,500	(\$21,500)
Capital Projects	–	–	\$0	\$0	\$0
Debt Service	–	\$16,520	–	\$15,180	\$15,180
<b>EXPENSES TOTAL</b>	<b>\$2,790,700</b>	<b>\$5,886,128</b>	<b>\$641,715</b>	<b>\$811,290</b>	<b>\$169,575</b>

## Personnel

Hourly water fund employees are accounted for within capital projects through our work order system. There are no employees exclusively or specifically assigned to capital projects.



# Water Treatment Administration

## 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

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$82,556	\$166,869	\$188,143	\$199,270	\$11,127
Employee Benefits	\$18,045	\$20,434	\$29,895	\$38,060	\$8,165
Purchased Services	\$468	\$8,201	\$178,450	\$96,170	(\$82,280)
Internal Service	\$18,651	\$1,307	\$5,315	\$13,235	\$7,920
Other Operating Expense	\$150,881	\$123,101	\$98,705	\$94,320	(\$4,385)
Cost Allocation	\$1,059,248	\$1,142,036	\$1,266,324	\$1,424,000	\$157,676
Capital Expenses	—	\$513	\$0	\$525	\$525
Depreciation	\$122,207	\$124,696	\$122,870	\$122,320	(\$550)
Debt Service	\$83,487	\$359,015	\$181,870	\$0	(\$181,870)
Transfer Out	\$953,300	\$966,300	\$966,300	\$985,300	\$19,000
EXPENSES TOTAL	<b>\$2,488,842</b>	<b>\$2,912,473</b>	<b>\$3,037,872</b>	<b>\$2,973,200</b>	<b>(\$64,672)</b>

## Personnel

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
DIVISION DIR WTR/WSTWTR TRTMNT	0.5	0.5	0.5	0.5
SENIOR SECRETARY	0.5	0.5	0.5	0.5
WATER TREATMENT MANAGER	0	0	1	1
FTEs	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>

# Water Treatment

## 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

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
<b>Expenses</b>					
Personnel Services	\$634,531	\$594,155	\$705,254	\$702,840	(\$2,414)
Employee Benefits	\$67,561	\$63,304	\$79,241	\$79,600	\$359
Purchased Services	\$165,572	\$163,687	\$211,870	\$271,490	\$59,620
Internal Service	\$802,168	\$712,701	\$762,400	\$784,400	\$22,000
Other Operating Expense	\$431,777	\$392,983	\$513,459	\$600,760	\$87,301
Capital Expenses	\$1,928	–	\$0	\$0	\$0
Debt Service	(\$25,456)	(\$40,802)	\$186,050	\$0	(\$186,050)
<b>EXPENSES TOTAL</b>	<b>\$2,078,081</b>	<b>\$1,886,027</b>	<b>\$2,458,273</b>	<b>\$2,439,090</b>	<b>(\$19,183)</b>

## Personnel

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

Position Title	FY2023	FY2024	FY2025	FY2026
<b>FTEs</b>				
INDUSTRIAL MECHANIC	1	1	1	1
PLUMBING/CROSS CNCTN INSPECTOR	0.5	0.5	0.5	0.5
SENIOR INDUSTRIAL MECHANIC	2	2	2	2
WATER CHEMIST	1	1	1	1
WATER TREATMENT MANAGER	1	1	0	0
WATER TRTMNT PLNT OPERATOR I	4	2	2	1
WATER TRTMNT PLNT OPERATOR II	1	2	1	1
WATER TRTMNT PLNT OPERATOR III	2	1	0	1
WATER TRTMNT PLNT OPERATR SUPV	2	3	3	2
WTR TRTMNT PLNT OPRTR TRAINEE	0	1	3	4
<b>FTEs</b>	<b>14.5</b>	<b>14.5</b>	<b>13.5</b>	<b>13.5</b>

# Water Treatment Capital

## 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

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Personnel Services	–	\$148	–	–	\$0
Employee Benefits	–	\$17	–	–	\$0
Purchased Services	\$247,074	\$1,977,755	\$0	\$0	\$0
Capital Expenses	\$246,629	\$126,054	\$175,000	\$185,000	\$10,000
Capital Projects	–	–	\$0	\$0	\$0
EXPENSES TOTAL	\$493,703	\$2,103,974	\$175,000	\$185,000	\$10,000

# Water Treatment Debt Service

## 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

ACTUAL		ADOPTED BUDGET		PROPOSED BUDGET	
	FY2023	FY2024	FY2025	FY2026	Increase/(Decrease)
Expenses					
Debt Service	\$130,734	\$242,596	\$557,230	\$653,620	\$96,390
EXPENSES TOTAL	\$130,734	\$242,596	\$557,230	\$653,620	\$96,390

# Water

FY 2026 Five-Year Capital & Special Projects Plan

## Capital and Special Projects - FY 2026-2030

CAPITAL & SPECIAL PROJECT PLAN						5 YR TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Department / Project						
60053 - Water Line Reconstruction	\$4,200,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$16,200,000
61952 - Westover Pumping Station Relocation	\$0	\$7,750,000	\$0	\$0	\$0	\$7,750,000
62021 - Lead Service Line Replacement	\$8,000,000	\$0	\$0	\$0	\$0	\$8,000,000
62022 - Edgewood Tank Upgrade	\$0	\$6,000,000	\$0	\$0	\$0	\$6,000,000
UTILITIES TOTAL	\$12,200,000	\$16,750,000	\$3,000,000	\$3,000,000	\$3,000,000	\$37,950,000
DEPARTMENT / PROJECT TOTAL	\$12,200,000	\$16,750,000	\$3,000,000	\$3,000,000	\$3,000,000	\$37,950,000

## Funding Sources - FY 2026

	CURRENT REVENUES	FUND BALANCE	DEBT FINANCING	GRANTS/CIA	OTHER	TOTAL
Department / Project						
60053 - Water Line Reconstruction	-	-	\$1,600,000	\$2,600,000	-	\$4,200,000
62021 - Lead Service Line Replacement	-	-	\$5,100,000	\$2,900,000	-	\$8,000,000
UTILITIES TOTAL	-	-	\$6,700,000	\$5,500,000	-	\$12,200,000
DEPARTMENT / PROJECT TOTAL	-	-	\$6,700,000	\$5,500,000	-	\$12,200,000

# Water Line Reconstruction

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Water Line Reconstruction  
**Project Number:** 60053

**Department:** Utilities  
**Division:** Water & Gas

**Classification:** Existing Capital Project  
**Capital Priority:** Beneficial

**Estimated Start Date:** 07/01/2025  
**Estimated Completion Date:** 06/30/2026

**Comprehensive Plan Alignment Score:** 54

**Total Project Cost:** \$16,200,000

## Description:

The City has 331 miles of water main in the system. More than 144 miles are cast iron and another 8.6 miles are galvanized steel. More than 34 miles of the cast iron are 80 years old or older. Cast iron mains typically fail due to their brittle nature. Funding for replacement will allow for planned, non-emergency, systematic replacement of these mains with an opportunity to improve water quality, fire protective services, and system reliability.

## Project Progress/Status:

Crews are working on engineering and completing the North Main Street water main replacement by summer 2025. This water main is located from Meadowbrook to Third Avenue, approximately a one-mile replacement with 12" ductile iron water main. The West Main Street water main replacement from Augusta Avenue to Ballou Park has been completed. Other water mains are being prioritized based on their age and service history. Water mains that have been prone to leaks and customer outages will gain a higher priority.

## Operating Budget Impact:

The City has applied to the Virginia Department of Health Financial Capital Assistance Program to assist with funding several City water projects. The City was awarded approximately a \$2.6M grant and \$1.6M low-interest loan to assist with water main replacement activities. This will increase reliability and help accelerate the water main replacement schedule. Staff expects it will take 15-20 years to replace the 140 miles of cast iron water main in the City's distribution system.

## Return on Investment:

Most of the water main projects will be funded using general obligation or revenue bonds. Staff will apply for grant and loan programs that can assist with funding part of this project. The water main replacement project will lower overtime and restoration costs associated with damages from water main breaks.

## Public Benefit/Community Impact:

This project will also improve the water system's reliability and improve customer confidence. The City is held to the Virginia Department of Health's drinking water standards and improving infrastructure will allow for improved performance and fewer damages from water main breaks.

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Comments:

Funding though the Virginia Office of Drinking Water may be available in the form of principle forgiveness and/or loans to help accelerate the replacement of cast iron and galvanized water mains throughout the City.

Funding Sources:

CAPITAL & SPECIAL PROJECTS					TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030
Revenues					
Bonds	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Loan	\$1,600,000	\$0	\$0	\$0	\$0
State Grants	\$2,600,000	\$0	\$0	\$0	\$0
REVENUES TOTAL	\$4,200,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000

Planned Activities by Fiscal Year:

This year's project will replace approximately three miles of obsolete cast iron water main with more reliable ductile iron water main. The targeted areas are the South Main Street and Industrial Avenue areas.

# Westover Pumping Station Relocation

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Westover Pumping Station Relocation  
**Project Number:** 61952

**Department:** Utilities  
**Division:** Water & Gas

**Classification:** New Capital Project  
**Capital Priority:** Critical

**Estimated Start Date:** 07/01/2025  
**Estimated Completion Date:** 06/30/2026

**Comprehensive Plan Alignment Score:** 0

**Total Project Cost:** \$7,750,000

## Description:

The relocation of the Westover pumping station will improve water quality in the Westover pressure zone and allow for the Westover water tank to be decommissioned. This change in location will also improve fire flow pressure in specific areas in Westover that currently just meet the 20 psi pressure requirement.

## Project Progress/Status:

Applied for grant funding of \$7,731,000 in May of 2024. The City would look to use the Virginia Department of Health's Drinking Water State Revolving Fund (DWSRF) to fund part of the pumping station relocation expenses.

The VDH DWSRF provides up to 50% principal forgiveness and 50% low-interest loans through the Virginia Resource Authority. This project will not move forward in FY2026 unless financial assistance is awarded from the DWSRF program.

## Operating Budget Impact:

No impact to the operating budget.

## Return on Investment:

This project once completed will allow for the decommissioning of the Westover standpipe water tank. This will reduce the costs of maintaining one additional water tank.

## Public Benefit/Community Impact:

The benefit to the public involves improved water pressure in the Westover area for domestic purposes and fireflow. The relocation of the pumping station will allow for the decommission of the Westover standpipe water tank which will reduce maintenance costs and improve water quality in this pressure zone.

## Comments:



## Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Loan	\$0	\$3,875,000	\$0	\$0	\$0	\$3,875,000
State Grants	\$0	\$3,875,000	\$0	\$0	\$0	\$3,875,000
REVENUES TOTAL	\$0	\$7,750,000	\$0	\$0	\$0	\$7,750,000

## Planned Activities by Fiscal Year:

The preliminary engineering report is completed and has been submitted to the Virginia Department of Health (VDH) for their approval. Staff applied for a \$7.75M VDH Drinking Water State Revolving Fund to assist with the construction costs associated with this project.

# Lead Service Line Replacement

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Lead Service Line Replacement  
**Project Number:** 62021

**Department:** Utilities  
**Division:** Water & Gas

**Classification:** New Capital Project  
**Capital Priority:** Beneficial

**Estimated Start Date:** 07/01/2025  
**Estimated Completion Date:** 06/30/2035

**Comprehensive Plan Alignment Score:** 63

**Total Project Cost:** \$8,000,000

## Description:

As part of the 2021 Bipartisan Infrastructure Law (BIL) bill that was passed by the federal government, all water utilities had to complete a lead service line inventory by October 2024. The City has completed our initial inventory and will further refine the inventory as more information becomes available. As part of this effort water utilities are required to inventory the material on both the public and private side of the meter. Most water utilities only manage the public side of the meter. This project would provide funding assistance to assist homeowners who need financial assistance to replace their private service lines due to them being lead or galvanized lines. These funds are directly from the 2021 BIL bill and managed by the Virginia Department of Health. The City was awarded \$2.9M in principal forgiveness and \$5.1M in low-interest loans.

## Project Progress/Status:

This project will follow the EPA and Virginia Department of Health guidelines and rules relating to lead service line inventory and replacement. Most utilities have until 2035 to complete inventory and replace any lead and galvanized service lines in their water systems.

## Operating Budget Impact:

The \$8M in principal forgiveness and low-interest loans is a first step in what could be several steps to completing the EPA and VDH's goal of removing all lead and galvanized service lines. A replacement program will be designed in 2025 that will detail how these costs will be distributed following EPA and VDH standards.

## Return on Investment:

No return on investment.

## Public Benefit/Community Impact:

The benefit to the public is that this project will remove any remaining lead and galvanized service lines on the public and private side of the meter. Future funding will be needed once our inventory becomes more accurate.

## Comments:

Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Loan	\$5,100,000	\$0	\$0	\$0	\$0	\$5,100,000
State Grants	\$2,900,000	\$0	\$0	\$0	\$0	\$2,900,000
REVENUES TOTAL	\$8,000,000	\$0	\$0	\$0	\$0	\$8,000,000

Planned Activities by Fiscal Year:

Develop a replacement plan and have VDH approve following EPA guidelines. This will detail how funds are distributed. Staff will also continue to improve the inventory by using predictive modeling.

# Edgewood Tank Upgrade

FY 2026 Five-Year Capital & Special Projects Plan

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**Project Name:** Edgewood Tank Upgrade  
**Project Number:** 62022

**Department:** Utilities  
**Division:** Water & Gas

**Classification:** New Capital Project  
**Capital Priority:** Beneficial

**Estimated Start Date:** 07/01/2025  
**Estimated Completion Date:** 07/01/2027

**Comprehensive Plan Alignment Score:** 0

**Total Project Cost:** \$6,000,000

## Description:

The Edgewood Tank replacement project would involve building a new taller tank to gain additional pressure for areas around West Main Street. The Virginia Department of Health requires that we maintain 20 psi to every metered location for fireflow purposes. The outer edge of our water system has pressures that drop to 20-25 psi per our recent 10-year master plan study. In the study, it was recommended that we raise or replace the Edgewood or Stokesland tanks to gain the additional pressure needed. This project will also allow for future expansion of the water system.

## Project Progress/Status:

The City is starting a preliminary engineering study (PER). The PER will provide the full scope of work with a construction estimate. This project would also improve water turnover and pressure which are requirements of the VDH Drinking Water State Revolving Fund.

## Operating Budget Impact:

This project will not impact the operating budget.

## Return on Investment:

There is no return on investment.

## Public Benefit/Community Impact:

The public will benefit by having improved water quality and increased water pressure in the Schoolfield pressure zone. This project was recommended to use as part of our 10-year water master plan completed in 2022.

## Comments:

Funding Sources:

CAPITAL & SPECIAL PROJECTS						TOTAL
	FY2026	FY2027	FY2028	FY2029	FY2030	
Revenues						
Loan	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
State Grants	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
REVENUES TOTAL	\$0	\$6,000,000	\$0	\$0	\$0	\$6,000,000

Planned Activities by Fiscal Year:

Complete the PER. Once completed, move towards full engineering if award VDH DWSRF funds.  
\$3,000,000 - Principal Forgiveness  
\$3,000,000 - Low-interest Loan