



Danville Utility Commission
4:00 p.m. March 25, 2013 Meeting
Council Conference Room, City Hall
Minutes

Commission Members Present: Joe King, Jeff Liverman, Bob Schasse, Fred Shanks, Phillip Smith, Jim Turpin and Bob Vaughan

Commission Members Absent: Steve Daniels

Staff Present: Michael Adkins, Barry Dunkley, Barbara Dameron, Carolyn Evans, Jason Grey, Arnold Hendrix, Jennifer Holley, Nate Lewis, Steve Saum, Cynthia Thomasson, Clarke Whitfield, and Allen Wiles

Others Present: Dr. Gary Miller, Danville City Council
Doug Handley, Utility Consulting Services

Call to Order & Announcements

Chairman Vaughan opened the meeting and asked that the attendance be recorded. As a quorum was present, the meeting was called to order.

Discussion / Business Items

Minutes of February 25, 2013 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of February 25, 2013. There were none.

Mr. Smith made a motion to approve the minutes as amended. Mr. Turpin seconded the motion. The motion was unanimously approved.

Review of Utilities' Financial Statements: Michael Adkins reviewed the January 2013 financial statements. Mr. Adkins said all funds are performing close to budget.

Mr. Adkins then addressed questions from the Commissioners.

AMP Eastlake Presentation: Mr. Saum spoke on the Eastlake peaking plant saying that consideration of the new plant is still in its preliminary stages. The plant would be a replacement for the AMPGS project that was canceled. Mr. Saum said that AMP is currently performing due diligence and analyzing data.

Mr. Saum and Doug Handley then addressed questions from the Commissioners.

Rate Structure Discussion: Doug Handley presented the preliminary draft report of his 2013 biennial rate study.

Mr. Shanks asked about the time of use rate and if customers have seen savings. Mr. Handley said that the rate has not yet been advertised. He explained that, although it is included in the rates structure, customers would see only a conservative savings and he will be developing more options. Mr. Handley said he will bring more information to the next meeting.

Mr. Schasse said he would like to measurement verification data on the energy efficiency program showing its affects. Mr. Shanks asked why the program did not include more energy efficiency upgrades. Nate Lewis explained that staff would be looking at additional upgrades in the third year of the program.

Mr. Handley then spoke on rate comparisons with other local utilities saying that Danville electric rates are generally in the upper end of the range of comparable utilities. He also said that Danville's gas rates are in the low to mid-range and the water rates would be mid-range after the rate increases. Danville's wastewater rates are also in the mid-range.

The Commissions said they would like to see Pittsylvania County among those compared. Mr. Handley said he would provide those numbers in the final draft.

Mr. Shanks suggested that the summary should include the new rates and show increases in each rate class.

Mr. Liverman said it would be beneficial to see an average bill reflecting actual dollar amounts of the increases.

The Commissioners also asked to see the costs savings due to the AMI meters. Mr. Handley said he will order ad hoc reports with that data.

Communications from City Manager

Joe King said that the Commission would need to be ready to make a decision on the rates at the next meeting.

Communications from Utility Staff

Barry Dunkley said that Phase One of the wastewater plant renovations is complete and benefits are already being realized.

Allen Wiles updated the Commissioners on projects in the Water and Gas Division.

Communications from the Commissioners

Mr. Smith asked for the minimum unrestricted fund balances for all funds and the amounts available to use for capital projects instead of rate increases.

Director's Report

Mr. Saum spoke on the PCA saying it should break even in May.

Adjournment

Chairman Vaughan stated the next meeting is scheduled for April 22, 2013. There being no further business, Chairman Vaughan adjourned the meeting at 5:40 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

April 22, 2013

Date Approved

Chairman
Danville Utility Commission