



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

**Commission Members Absent:** Jeff Liverman and Bob Schasse

**Staff Present:** Michael Adkins, Ken Ashworth, Barry Dunkley, Carolyn Evans, Jennifer Holley, Steve Saum, Alan Spencer and Eric Walker

**Others Present:** Dr. Gary Miller

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

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

Review of Utilities' Financial Statements: Michael Adkins reviewed the October 31, 2013 financial statements.

Mr. Adkins then addressed questions from the Commissioners.

Discussion on New Lighting Rates: Mr. Saum reviewed the proposed outdoor lighting rates and discussed the formula used to determine the cost of each light.

Mr. Turpin questioned the number of light codes and if it was necessary to have so many rates. Mr. Ashworth said that, although most lights are standard wattages and bulbs, special applications are available for commercial and decorative lighting.

Ms. Evans added that the rates included both the newer high pressure sodium lights and the older mercury vapor lights that are being phased out as they fail.

Mr. King replied to a question by explaining that VDOT funds are used for cover street lighting costs.

Mr. Smith noted that in the proposed rates 6200 customers will see their rates lowered meaning \$128,000 less in revenue for Danville Utilities. Mr. Smith said he was against the reduction because once the rates are lowered it would be more difficult to raise them again.

Ms. Evans said the new rates do not include the power cost adjustment.

Mr. Saum informed the Commissioners that the rate stabilization strategy expired in December and the power cost adjustment would need to be doubled to break even by February 2015. Mr. Saum proposed that the PCA be adjustable throughout the year.

Mr. Vaughan asked for a motion on the proposed lighting rates.

Mr. Turpin moved that the Danville Utility Commission recommend that City Council approve the new outdoor and street light rates. Mr. King seconded the motion. A vote was cast.

Mr. King, Mr. Shanks, Mr. Turpin and Mr. Vaughan voted in favor of the motion. Mr. Smith voted against. The motion carried.

### **Communications from the Commissioners**

Mr. Smith discussed the funds needed to improve the water treatment system and to improve the water pressure to the fire hydrants. Mr. Smith said that the funds previously charged for hydrant service would have covered much of that expense.

Mr. Smith also mentioned the recent City Council vote that raised the Council members' salary. Mr. Smith said that perhaps the Utility Commissioners should consider asking for remediation for their service on the Commission.

Mr. Vaughan said that he felt time spent on the Utility Commission was done as a public service.

### **Director's Report:**

Mr. Saum said that staff would begin bringing budget figures at the January meeting. Mr. Saum added that there will be discussion on Doug Handley's Biennial Rate Study and the PCA rate at the March meeting.

## **Adjournment**

Chairman Vaughan stated the next meeting is scheduled for January 27, 2014.  
There being no further business Chairman Vaughan adjourned the meeting at 4:45 p.m.

Submitted by Patti OKeefe  
Secretary to the DUC

**January 27, 2014**

Date Approved

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Chairman  
Danville Utility Commission