



Danville Utility Commission
4:00 p.m. May 12, 2014 Meeting
Council Conference Room, City Hall
Minutes

Commission Members Present: Bill Donohue, Joe King, Michael Nicholas, Bob Schasse, Fred Shanks, Phillip Smith, Jim Turpin and Bob Vaughan

Commission Members Absent:

Staff Present: Michael Adkins, Ken Ashworth, Carolyn Evans, Jason Grey, Arnold Hendrix, Jennifer Holley, Eric Walker and Clarke Whitfield

Others Present: Dr. Miller
Denise Thibedeau, Danville Register and Bee

Call to Order & Announcements

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

Discussion / Business Items

Minutes of May 12, 2014 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of May 12, 2014. Mr. Schasse asked that the minutes include that he requests information on the affect the hydro plant repairs have had on congestion charges. He also stated that he has concerns that the charges could be high again during a hot summer.

Mr. Turpin asked that on page two, paragraph eight be changed to- could reallocate \$2.2 million from the restricted fund balance to the unrestricted fund balance.

Mr. Nicholas made a motion to approve the minutes as corrected. Mr. Schasse seconded the motion. The motion was unanimously approved.

Review of Utilities' Financial Statements: Michael Adkins reviewed the March 2014 financial statements.

Mr. Schasse asked when we would be billing Duke Energy for the river clean-up. Mr. King explained that bills have been sent monthly.

Mr. Smith asked if the Utilities Department was receiving funds for their expenses. Mr. Adkins said the Public Works Department is receiving the payments from Duke Energy. Mr. King said money should be returned to the Water Fund for any overtime hours and testing.

Mr. Donohue asked that expense figures be brought back next month.

Mr. Adkins then answered additional questions from the Commissioners.

Duke Energy Coal Ash Spill- February 2, 2014 Discussion: Barry Dunkley presented the background, timeline and current information on the Duke Energy coal ash spill. Mr. Dunkley said that Danville's drinking water was always safe as confirmed through both state and independent testing. Mr. Dunkley also said testing would continue for at least six more months.

Mr. Dunkley said that a request for proposals has been issued for a study of the watershed above Danville to determine if there are any threats to Danville's water supply.

The Commissioners and Dr. Miller thanked Mr. Dunkley for his work during the spill. Mr. Dunkley said the water treatment staff did an excellent job.

Communications from Utility Staff

Jason Grey said the study regarding Commissioner's pay that was sent to MEPAV received two responses from the City of Salem and Franklin and neither city compensates their commissioners for their service on a board.

Barry Dunkley said he is currently accepting BIDs on the aeration system on the Ballou Park tank. Joe King asked what was done with the solids that were filtered with the coal ash. Mr. Dunkley said that Duke Energy took all the solids which included coal ash and sediments and brought it to the landfill in North Carolina.

The Commissioners asked about damage to the park, compensation and the timeframe for the cleanup. Joe King said that the park was available for no charge and Duke Energy will pay for any lost revenue from boat rentals. Mr. King added that Duke has also promised to leave the park in better condition than before the spill.

Eric Walker told the Commission that a RFP had been issued for a residential energy consultant service.

Dr. Miller asked if there were plans to increase Danville's backup water supply. Mr.

Dunkley said that with increased supply would be the threat of stagnant water and that the current two day supply levels were higher than many other municipalities.

Communications from the Commissioners

Mr. Shanks asked about outages in the Grove Park area. Ken Ashworth said it was because of right of way issues and wind.

Mr. Smith also asked for the scope of work from the water study. Mr. Smith also asked about the method that Mr. Beauchamp reconciled his fund balances as opposed to the method Danville uses to reconcile their balances. He also asked about the length of the rate increase. Mr. Grey said the biennial rate study would be done this summer.

Mr. Donohue asked for full culpability of the rate increases. Mr. King said Mr. Beauchamp is producing that information now. Mr. Donohue voiced concerns that Danville is losing its economic development competitive edge due to higher rates and lack of a major highway.

Adjournment

Chairman Vaughan stated the next meeting is scheduled for June 23, 2014. There being no further business Chairman Vaughan adjourned the meeting at 5:25 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

June 23, 2014
Date Approved

Chairman
Danville Utility Commission