



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

Commission Members Absent: Dawn Witter

Staff Present: Michael Adkins, Meagan Baker, Patricia Conner, Barry Dunkley, Carolyn Evans, Jason Grey, Arnold Hendrix, Jennifer Holley, Cynthia Thomasson, Clarke Whitfield and Allen Wiles

Others Present: Members of the media and public

Call to Order & Announcements

Chairman Smith asked for an update on the recent water issues. Barry Dunkley explained that carbon has been added to the water supply to help with both the bad taste and smell. Mr. Dunkley said that once the water in the system is depleted, the water should return to normal.

Chairman Smith 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 January 26, 2015 Commission Meeting: Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of January 26, 2015. There were none.

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

Review of Utilities' Financial Statements: Patricia Conner reviewed the October financial statements.

Ms. Conner then addressed questions from the Commissioners.

Proposed FY2016 Utilities Budget: Jason Grey brought the proposed FY 2016 budget before the Commission with a small number of changes including the elimination of the Gypson Road substation and projects that have been put on hold for next year.

Mr. Nicholas moved that the Danville Utility Commission approve the updated version of the Utility Department's Proposed FY 2016 Budget for submission to the City Manager and inclusion in his budget proposal to the City Council, with the Commission's recommendation for its adoption by the Council.

He further moved that staff make the budget expenditure adjustments necessary to bring the budgets back into balance without further rate increases and brief the Commission on actions taken at the March 23rd meeting, should on-going evaluations reveal revenue shortfalls.

Mr. Turpin seconded the motion.

Mr. Donohue questioned why the PCA deficit balance has not decreased as staff had predicted. He added that he would not vote in favor of the motion as it stands. The Commission decided to vote only on the first paragraph of the motion.

Mr. Donohue moved to bring the amended motion to vote. Mr. Schasse seconded the motion. A vote was cast with Mr. Nicholas voting against and all others voting in favor. The motion passed.

Proposed Biennial Rate Study: Dawn Lund from Utility Financial Solutions presented the 2015 Biennial Rate Study. Ms. Lund said that all studies show that customer charges should be increased.

Mr. Donohue said that the PCA will remain at the same negative balance according to the study. Ms. Lund answered that the recovery would take three to four years. Staff said they would bring the PCA detail, Capital Plan and Bond information back to the Commission.

Communications

Mr. Schasse and Mr. Turpin asked for a presentation on the benefits of the energy efficiency program versus the cost to run the program.

Bruce Hendrick from Southside Central said that one of his readers asked that he voice their dismay over disconnect and reconnect charges to customers which total \$100. Mr. Hendrick said that with the installation of the AMI meters, customers can be disconnected and reconnected with the flip of a switch.

He also questioned why customers are not reconnected until 1:00 p.m. instead of when their bill is paid. Joe King said staff would bring a formal presentation in the future.

Mr. King also complimented the staff on the work they did during the recent wind and snow events.

Adjournment

Chairman Smith stated the next meeting is scheduled for March 23, 2015. There being no further business Chairman Smith adjourned the meeting at 7:00 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

March 23, 2015
Date Approved

Chairman
Danville Utility Commission