



Commission Members Present: Vanessa Cain, Bill Donohue, Ken Larking, Jim Turpin, Helm Dobbins, Fred Shanks, Sheila Williamson-Branch, Michael Nicholas - *Mr. Nicholas entered the meeting at 5:30 p.m.*

Commission Members Absent:

Staff Present: Ryan Dodson, Amy Chandler, Greg Disher, Jason Grey, Janet Davis, Alan Johnson, Kelly Kinnett, Mike Spencer, Jennifer Holley, Carolyn Evans, Michael Adkins

Others Present: Josh Beeber, Nexant; Norman Yoder, Brown Edwards & Company

Call to Order and Announcements

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

Mr. Donahue announced that Mr. Nicholas planned to arrive by 5:30 for the public comment portion of the meeting.

Mr. Donahue said that the regular Commission meeting would occur first, followed by public comment. Further, he stated that the rules regarding time limits followed by as City Council to for the public comment session will be observed. Further, he stated that the rules regarding time limits followed by City Council for the public comment session will be observed.

Mr. Donahue read the meeting agenda for the benefit of the public.

Discussion/Business Items

Minutes of January 22, 2018 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes from January 22, 2018.

Mr. Turpin made a motion to approve the minutes. Mr. Dobbins seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Chandler presented the December financial statements for each utility fund.

Mr. Donahue asked how the Power Cost Adjustment may vary versus the plan in the packet. Mr. Grey responded we have certainty until June. AEP's increased transmission rate was effective in January and is accounted for in the projection.

Fiscal Year 2019 Utilities Budget

Ms. Holley presented changes to the 2019 fiscal year budget to the Commission.

Mr. Donahue inquired concerning the water fund balance projection. He stated that the fund balance is approaching \$10 million, and contemplated the merits of utilizing fund balance rather than bonding capital projects. Mr. Grey responded that the proposed budget recommends a transfer of \$1.5 million from fund balance and \$3 million in bond financing a transfer of an additional \$3 million from the unrestricted fund balance, which would leave approximately \$5 million in the water fund's unreserved fund balance, which is above the City's policy.

Mr. Shanks requested that the formula and policy for contributing to the general fund be included in the upcoming rate study.

Mr. Donahue asked for a motion to be made regarding the budget. Mr. Dodson amended the motion wording to include items discussed regarding the water budget.

Mr. Turpin made a motion to allow the fiscal year 2019 budget to move forward to the City Manager and City Council as amended. Ms. Williamson-Branch seconded the motion and the motion carried unanimously.

Nexant-Residential Energy Conservation Best Practices

Mr. Grey introduced Josh Beeber, a project engineer from Nexant, our Energy Efficiency consultant, who gave a presentation regarding maximizing energy conservation for residential customers.

Mr. Donahue asked whether rebates are allowed for landlords who improve rental properties. Mr. Beeber replied affirmatively.

Utility Financial Auditing Discussion

Mr. Grey introduced Norman Yoder, a certified public accountant and Audit and Assurance Partner with Brown Edwards & Company. Mr. Yoder gave a summary of his firm's history with the City of Danville's annual audit and presented their findings regarding

the independent financial audit of the City of Danville's Utility funds. Mr. Yoder stated that recent audits conclude that the financial statements in all material respects present fairly the financial position of the City of Danville in accordance with generally accepted accounting principles.

January 2018 High Consumption

Mr. Grey made a presentation entailing reasons for the high consumption realized during January 2018. Further, he presented recommendations regarding strategies to mitigate future recurrences. One such recommendation was to allow all customers with a 12 month history regardless of payment record to enroll in the Equal Payment plan. This option is intended to help past due customers bring their account into current status.

Another recommendation included transferring up to \$8 million in unrestricted electric fund balance to pay down the PCA. A motion supporting the recommendation was made by Mr. Turpin and seconded by Ms. Cain. The motion carried unanimously.

Following discussion regarding proper implementation of the modification to the Equal Pay Plan, a motion was made by Ms. Williamson-Branch and seconded by Ms. Cain to allow Mr. Larking in the capacity of City Manager to modify the equal pay plan to allow all residential customers with 12 months of payment history to enroll in Equal Pay. The motion carried, with Mr. Larking abstaining from the vote on the advice of legal counsel.

Department Discussions

Mr. Larking thanked members of the commission for volunteering their time to serve on the commission.

There was no comment from City staff.

Public comment was opened and 23 members of the public spoke regarding their utility bills.

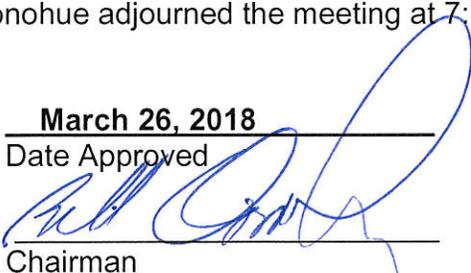
Mr. Larking approved the change to the equal payment policy effective immediately.

Adjournment

Chairman Donohue stated the next meeting is scheduled for March 26, 2018. There being no further business, Chairman Donohue adjourned the meeting at 7:30 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

March 26, 2018

Date Approved


Chairman
Danville Utility Commission