



Danville Utility Commission

4:00 p.m. February 22, 2010 Meeting

Council Conference Room, City Hall

Minutes

Commission Members Present: Steve Daniels, Jeff Liverman, Adam Tomer, James Turpin, and Bob Vaughan

Commission Members Absent: Lyle Lacy, Bob Schasse, Phillip Smith

Staff Present: Ken Ashworth, Barry Dunkley, Barbara Dameron, Carolyn Evans, Jim Harr, Joe King, Kevin Martin, Denise Sandlin, Cynthia Thomasson and Clarke Whitfield.

Others Present: Doug Handley, Utility Consulting Services

Fred Shanks, Danville City Council

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 January 25, 2010 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of January 25, 2010. There were none. Mr. Daniels made a motion to approve the minutes. Mr. Turpin seconded the motion. The motion was unanimously approved.

Review of Revised FY 2011 Budget Proposals: Denise Sandlin addressed questions raised at the February 15, 2010 special budget review Utility Commission meeting.

Jim Harr stated that the requested representative AMI samples were being compiled and the information would be presented at the next meeting.

Mr. Daniels moved that the Danville Utility Commission approve the updated version of the Utilities Department's Proposed FY 2011 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. Mr. Turpin seconded the motion. A vote was cast and the motion passed unanimously.

R.B. Sloan thanked Denise Sandlin for her time and effort on this year's budget.

Proposed PCA and PGA Policy: Doug Handley explained that, in order to bring the Power Cost Adjustment and the Purchase Gas Adjustment in line during the current volatile energy market, he recommended limits be set at \$1-2 million for each. Doug presented analysis of pro forma over/under recovery from 2006 to present.

Doug then addressed questions from the commissioners.

Mr. Liverman moved that the Danville Utility Commission recommend City Council adoption of accompanying resolution establishing a policy allowing Danville Utilities to acquire an over/under recovery amount not to exceed \$2 million each for the PCA and the PGA to accommodate normal monthly fluctuations. Mr. Daniels seconded the motion. A vote was cast and the motion passed unanimously.

Update on February 5th Storm and Related Outages: Ken Ashworth gave a presentation on the recent winter storm that caused more than 5500 customers to lose power in the western part of the area. Ken spoke on the success of the IVR emergency call system that handled over 2300 calls the weekend of February 5th and the crews that worked tirelessly to restore power. Ken said that by 6:00 p.m. on February 7th, there were only isolated outages left in the area. Ken also spoke on the cost of the storm and showed photos of the worst hit areas.

Mr. Turpin positively commented on the work done by Danville Utilities that weekend. The Commissioners agreed.

Other: Mr. Vaughan stated that he had received emails comparing the cost of Danville's power relative to the rest of the country and that Danville's power was higher. Mr. Vaughan asked that an explanation of why Danville is higher be brought back to the Commission.

R.B. Sloan said that the Commissioners asked for an AMI report to be brought to the meeting. R.B. said that that report is being compiled and would be brought to a future meeting.

Communications

Communications from Utilities Staff: Jim Harr updated the Commissioners on projects in the Water and Gas Division including Phase IX and Phase X of the Gas Pipeline Replacement project and the water line to Anglers Park.

Denise Sandlin said that the second phase of the Cityworks project had kicked off and the tentative go live date is September.

Ken spoke on the projects in the Power and Light Division including the transmission line from Rocksprings to Airside Industrial Park, the Robertson Bridge project and the White Mill project.

Barry Dunkley said that Hazen and Sawyer would be presenting information on the Wastewater Treatment Plant at the March meeting. Barry also spoke on the Water and Wastewater Division's projects.

Jason Grey said that two of the three towers in the County had been activated. Jason also said that Danville did not receive grant funding for the low income fiber to the home project.

Carolyn Evans said that the Customer Service Division had been busy testing the AMI Customer Interface. Carolyn also addressed a question from the Commission by saying that equal pay customer accounts are adjusted on their anniversary dates.

Kevin Martin spoke on the higher than normal utility bills and the effect that weather may have on those bills. Kevin also said the Home Builders Show will be held in March in the old Boscov's building in the Piedmont Mall. Kevin then spoke on weatherization and appliance rebates offered by the Department of Mines, Minerals and Energy.

Communications from Commissioners: Mr. Liverman expressed that the way to control energy costs is energy efficiency and that Kevin is having a tough time getting that message out.

Adjournment

Mr. Vaughan stated the next meeting is scheduled for March 22, 2010. There being no further business, Chairman Vaughan adjourned the meeting at 5:00 p.m.

March 22, 2010
Date Approved

Chairman
Danville Utility Commission

Submitted by Patti OKeefe
Secretary to the DUC