



**Commission Members Present:** Steve Daniels, Joe King, Jeff Liverman, Bob Schasse, Phillip Smith, James Turpin, and Bob Vaughan

**Commission Members Absent:** Adam Tomer

**Staff Present:** Betty Custer, Barry Dunkley, Barbara Dameron, Carolyn Evans, Jason Grey, Jim Harr, Nate Lewis, Alan Spencer, and Cynthia Thomasson

**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 April 26, 2010 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of April 26, 2010. There were none. Mr. Smith made a motion to approve the minutes. Mr. Daniels seconded the motion. The motion was unanimously approved.

Consideration of nDanville's Phase III – Fiber to the Home: Jason Grey asked the Commission for a motion to bring the nDanville Phase III Pilot Program to City Council for approval.

Jason answered the Commissioners questions by saying that the project would be paid for by revenues from the project and the equipment could be reused if a customer leaves the service. Mr. Smith voice concerns about whether there would be sufficient customers to pay the project's expenses. Jason said that Danville has not changed their original business plan for nDanville and this pilot project is the next step in the cautious plan.

Mr. Schasse moved that the Commission recommend City Council authorize nDanville's progression to Phase III – Fiber to the Home in a pilot project fashion.

Mr. Liverman seconded the motion. A vote was cast. Mr. Smith opposed the motion. All other Commissioners present voted in favor and the motion passed.

2008 Electric Benchmarking Study: R.B. Sloan explained that the American Public Power Association (APPA) conducts an annual voluntary electric benchmarking study. R.B. said that he asked for Danville to be included in the most recent study released in April that compiled data for calendar year 2008. R.B. said that he intends to participate in this study each year to develop trend lines.

R.B. stated that although Danville's rates are lower than those in the local area, they are higher when compared with peer groups throughout the nation.

R.B. also said the study showed that Danville's debt to asset ratio was one of the lowest in the report and Danville has more customers per employee than other areas.

Barbara Dameron reminded the Commission that other utilities may use different accounting methods that would distort the comparisons.

R.B. said that he is in the preliminary stages of review.

Other: Joe King discussed a letter Danville had received from Pittsylvania County requesting a Commissioner be added to the Utility Commission to represent Pittsylvania County. Mr. King explained that current ordinance states that one member at large from outside the City of Danville be on the Commission. Mr. King said that the member could be from Halifax, Henry or Pittsylvania County. The Commissioners discussed that 10% of Danville's customers live outside the City and there are no gas or water customers in those areas. Currently the Counties have a 15% representation on the Commission. The Commissioners decided that, because City Council appoints the seats on the Utility Commission, the issue should be left to City Council and Pittsylvania County to discuss.

Mr. Smith asked that there be a presentation on the progress of the Automated Meters and the savings realized from the project. Mr. Smith also said that Danville needed to do something to stabilize rates by next winter.

Mr. Turpin questioned if Danville had extra profits due to the additional power used during the extremely cold winter this year. R.B. Sloan stated that there were no large profits because Danville needed to purchase more electricity to supply the customers.

## **Communications**

Communications from City Manager: There was none.

Communications from Utilities Staff: Jim Harr updated the Commissioners on the AMI installations. Jim said that the initial projections of 18 months seem to be on tract.

Barry Dunkley updated the Commissioners on projects in the Water and Wastewater Division and said that the Water Quality Reports would be mailed to customers in June.

Carolyn Evans said that she anticipates completion of the AMI installations and automated billing of customers' accounts by the end of the year. Carolyn also said that the My eAccount system is being tested by City employees and will be available to the public in June.

Communications from Commissioners: Mr. Schasse commented that the benchmarking study was useful and the water quality reports were well done. Mr. Schasse also congratulated Joe King on his appointment as City Manager.

Mr. Turpin said that he would like to see the benchmarking figures based on net income.

Public Comments: There were none.

### **Adjournment**

Mr. Vaughan stated the next meeting is scheduled for June 28, 2010. There being no further business, Chairman Vaughan adjourned the meeting at 5:25 p.m.

**June 28, 2010**  
Date Approved

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Chairman  
Danville Utility Commission

Submitted by Patti OKeefe  
Secretary to the DUC