



**Commission Members Present:** Vanessa Cain, Bill Donohue, Ken Larking, Helm Dobbins, Fred Shanks, Sheila Williamson-Branch, Paul Liepe, Bert Eades

**Commission Members Absent:**

**Staff Present:** Ryan Dodson, Philip Haley, Jason Grey, Janet Davis, Alan Johnson, Kelly Kinnett, Mike Spencer, Jennifer Holley, Carolyn Evans, Michael Adkins, Lori Millner

**Others Present:** Charles Overby and Jerry Shupe, Inframark

**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 outlined the agenda and stated that the business items would occur first, followed by the rate study, and finally the budget. The communications section would allow for public comments at the end.

**Discussion/Business Items**

**Minutes of January 28, 2019 Commission Meeting**

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes from January 28, 2019.

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

**Review of Utilities' Financial Statements**

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

Mr. Donahue asked Ms. Holley about progress regarding the Power Cost Adjustment (PCA). Ms. Holley said it has improved since December. Mr. Grey stated that the PCA will be recovered to a zero balance in fall 2019.

## 2019 Biennial Rate Study

Mr. Grey updated the commission on proposed changes regarding the biennial rate study for each fund.

### Gas Rate Study

Mr. Eades asked what options were there for commercial transportation gas rates since it currently not recovering its cost. Mr. Larking recommended leaving the rates the same for this rate class to get this class closer to the cost of service.

### Electric Rate Study

Mr. Donohue asked for confirmation that 94 customers under the worship sanctuary rate would have an increase in their bills, while 67 would receive a decrease. Mr. Grey confirmed that this is correct.

Mr. Larking mentioned that this particular rate class is currently subsidized by all the other rate class. Future steps would be to move this group to a self-sufficient rate class.

Mr. Eades asked for an explanation of the inequities between the rate classes. Mr. Larking explained that some customers are more conservative with the demand versus those that are less consistent with their demand performance. The rate change helps to remove the inequity.

Mr. Shanks said that he understands the rate change is a necessary step, but he is concerned with doing something revenue neutral that impacts some of the rate class greatly. He further stated that the goal is to help churches understand why the changes would occur. He said that Danville Utilities should use the next two years to work with the rate class to prepare for these changes before the next rate study.

Mr. Dobbins agreed with Mr. Shanks, stating that by providing the notice now it allows a period of time for the rate class to get more efficient before the rate change.

Mr. Donahue asked were the Custom\$ave Rebates accessible to the worship sanctuary rate class. Ms. Davis replied that yes, they are.

Mr. Donahue asked how long would staff need to assist the worship rate customers in recognizing ways to reduce energy costs. Mr. Grey stated that it would take six to nine months to complete an outreach to the rate class to assist with planning for energy efficiency.

### Water and Wastewater Rate Studies

Mr. Grey stated that the study proposed the water consumption rate going up \$0.20/100 centrum cubic feet (CCF) from \$2.38/100 CCF to \$2.58/100 CCF. This will be offset by the wastewater consumption rate decreasing by \$0.20/100 CCF from \$2.60/100 CCF to \$2.40/100 CCF.

A motion was made by Mr. Eades and seconded by Mr. Liepe to recommend to city council the 2019 biennial rate study presented by GDS Associates to City Council for fiscal years 2020/2021 with the exception of the rate adjustments to the worship sanctuary electric service be delayed by one year with the requirement that Danville Utilities conduct an extensive outreach with all centers of worship that would be negatively effected by the rate change and report bi-monthly to the commission to address energy efficiency. In addition the motion made

an exception that the recommended commercial gas transportation rate changes not be implemented. All members voted in favor, and the motion carried unanimously.

Fiscal Year 2020 Utilities Budget

Mr. Grey stated that Ms. Holley presented the proposed 2020 fiscal year budget to the Commission at the last meeting. He presented the highlights from that presentation.

Mr. Donahue asked Mr. Grey to provide an estimate on what the capital investment will be to the wastewater fund for the replacement of sewer lines. Mr. Donahue also asked Mr. Grey to provide a similar estimate for the water fund for waterline replacement.

A motion was made by Mr. Liepe and seconded by Mr. Eades to approve the Utility Department's Proposed Fiscal Year 2020 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. It was further moved that staff make the budget expenditure adjustments necessary to bring the budgets back into balance and brief the Commission on actions taken at the April 22nd meeting, should on-going evaluations reveal revenue shortfalls. All members voted in favor, and the motion carried unanimously.

Department Discussions

Mr. Shanks thanked Mr. Grey, Mr. Adkins, and Ms. Holley for their preparation and presentation of the budget. He further thanked the Commission members for their participation.

Mr. Eades also thanked the staff for protecting the community during storms and other adverse conditions.

Mr. Grey introduced Lori Millner, Division Director of Support Services, and Philip Haley, Division Director of Power & Light to the Commission.

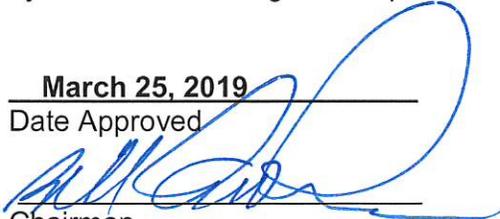
There was no comment from City staff or the public.

Adjournment

Chairman Donohue stated the next meeting is scheduled for March 25, 2019. There being no further business, Chairman Donohue adjourned the meeting at 5:50 p.m.

Submitted by Janet C. Davis  
Secretary to the DUC

March 25, 2019  
Date Approved

  
Chairman  
Danville Utility Commission