



Danville Utility Commission

4:00 p.m. April 20, 2020 Meeting

Council Chambers, City Hall

Minutes

Pursuant to City of Danville Ordinance Number 2020-04.01, the format for the meeting was modified to decrease the spread of the Coronavirus or COVID-19. The changes were designed to accommodate public input for the public comments while encouraging the public to continue self-quarantining and practicing social distancing, as recommended by Governor Northam. The public was asked to refrain from attending the meeting in person and was encouraged to watch the meeting live via River City TV or on Facebook Live on the City of Danville's Facebook page. Citizens who wanted to make comments were able to e-mail or call in those comments in advance.

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

Commission Members Absent: Bert Eades

Staff Present: Ryan Dodson, Philip Haley, Jason Grey, Janet Davis, Jennifer Holley, Michael Adkins

Others Present:

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.

Discussion/Business Items

Minutes of February 24, 2020 Commission Meeting

Chairman Donohue asked for any corrections, deletions, or adjustments to the minutes of February 24, 2020.

Mr. Liepe 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. Holley reviewed the utilities financial statements and addressed questions from the commissioners.

Mr. Donahue asked if there would be a large deficit in the gas fund this year. Mr. Grey explained that from year to year there are fluctuations based on weather, and that last year there was a surplus, this year a deficit. Mr. Donahue requested a list of energy actually purchased last year vs. this year so the Commission can see the difference from each year.

Mr. Dobbins suggested that Utilities look at hedging gas when the current hedge ends in March. Even though the department was burned in the past by using hedging, the current market conditions may be favorable to hedging. Mr. Grey responded that right now hedging is not favorable, but that he will invite Joey Caskey from BP to speak to the Utility Commission in the late summer/early fall to talk about market dynamics.

Ms. Williamson-Branch asked if there will be a payment plan put in place for delinquent payments after the changes to policies due to the Covid-19 crisis go back to normal. Mr. Larking explained that this will be detailed when we know more. Mr. Grey added that there is a frequently asked questions page on the Danville Utilities website that answers a lot of questions regarding bills during this time.

Mr. Shanks requested a future discussion regarding disconnect and reconnection fees. Mr. Grey responded that staff will review and discuss it at the May meeting.

Westover Substation Information/Substation Renovation Project Plan

Mr. Philip Haley, Division Director of Power and Light presented information regarding power outages in the Westover community. He also presented an updated substation renovation project plan that details the construction process of multiple substation projects.

Mr. Shanks asked that the information regarding the Westover Substation be added to the website and provided to the media for the public to view.

Mr. Grey provided information regarding how the order of substation renovations was determined.

Mr. Shanks noted that the loads decreased for all substation except Westover. Mr. Grey explained it was due to customers practicing energy efficiency since it is a highly residential area.

City of Eden, NC Water and Wastewater Agreements for the Berry Hill Industrial Park

Mr. Grey presented information on the proposed agreements to provide water and wastewater services to the Berry Hill Industrial Park. Engineers have designed water infrastructure to be able serve up to seven million gallons per day (MGD) of water capacity and three million gallons per day of wastewater capacity to the Berry Hill tenants. Out of the seven MGD designed for the park, approximately six MGD of water and all three MGD of wastewater is to be served from the City of Eden, NC. Mr. Grey also presented highlights of the agreement.

Mr. Dobbins asked if the rates to the tenants of the industrial park would be marked up. Mr. Grey responded that it would be under the current City of Danville rates, but that an Economic Development Rate will be explored for large industrial water and wastewater customers in the next rate study.

A motion was made by Ms. Williamson-Branch and seconded by Ms. Cain that the Danville Utility Commission recommend to City Council authorizing the City Manager to enter into a 20-year agreement with the City of Eden, NC for water and wastewater services for Berry Hill Industrial Park. All members voted in favor, and the motion carried unanimously.

Department Discussions

Mr. Larking thanked City employees who are working as needed to provide some sense of normalcy to the community.

Mr. Shanks stated that staff put together some great reports and restated that the reports need to be put out to the public.

Mr. Dobbins echoed Mr. Larking's sentiments regarding City employees, and mentioned the largest challenges fiscally are still ahead of the City.

Adjournment

Chairman Donohue stated the next meeting is scheduled for May 18, 2020. There being no further business, Mr. Dobbins made a motion to close that was seconded by Mr. Liepe. Mr. Donohue adjourned the meeting at 5:17 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

May 18, 2020
Date Approved

Chairman
Danville Utility Commission