



**Commission Members Present:** Joe King, Jeff Liverman, Bob Schasse, Fred Shanks, Phillip Smith, Jim Turpin, and Bob Vaughan

**Commission Members Absent:** Steve Daniels

**Staff Present:** Ken Ashworth, Betty Custer, Barbara Dameron, Barry Dunkley, Carolyn Evans, Jason Grey, Jennifer Holley, Jim Harr, Nate Lewis, R.B. Sloan, and Clarke Whitfield

**Others Present:** Doug Handley, Utility Consulting Services  
Dr. Gary Miller, 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.

Clarke Whitfield announced that Fred Shanks was appointed by City Council on August 17<sup>th</sup> to fill Adam Tomer's unexpired term as City Council representative on the Utility Commission. Mr. Vaughan said that Mr. Shanks had attended many of the past meetings and would be a good addition.

R.B. Sloan introduced Jennifer Holley, Danville Utilities' new Support Services Director.

### **Discussion / Business Items**

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

Review of Utility Funds Financial Statements: Barbara Dameron discussed the financial statements for month ending June 30<sup>th</sup> by stating that all funds performed better than budgeted except for the Telecommunications Fund. Ms. Dameron said that the Gas Fund had increased due to hedges and would not remain at the present level. Ms. Dameron also spoke on Bad Debts by saying the figure was 107% over budget due to

recent bankruptcies. Barbara Dameron, R.B. Sloan and Joe King then addressed questions from the Commissioners.

FY 2010 Financial Summary: Barbara Dameron presented the FY 2010 financial reports. Ms. Dameron explained that although last winter was unusually harsh, seasonal increases have substantially less impact on Gross Profit when averaged on an annual basis. Sales for electric and gas were higher than 2009 in the winter but equal or less during the summer, fall and spring. Gross Profit for FY 2010 was \$1.2M higher than budgeted but lower when compared to FY 2009 by \$0.3M.

Afterward, Ms. Dameron and Doug Handley answered questions raised by the Commissioners by explaining that when setting rates for the following year, they study the history from the previous year, take out any abnormalities and consult with AMP.

Presentation of Davenport and Company's Financial Report: Barbara Dameron gave an overview of information provided by Davenport and Company LLC, the City's financial consultants. Ms. Dameron said that the report was presented to City Council on June 20<sup>th</sup>.

Ms. Dameron pointed out that the City's credit rating had gotten steadily better over the past two years even as the country dealt with a recession.

Discussion on Danville's Energy Efficiency and Conservation Plan: Nate Lewis stated that he and Doug Handley had recently attended an Energy Efficiency Management Course provided by the American Public Power Association that provided very beneficial planning information. Mr. Handley said that it is important that the Utility Commission and Danville Utilities lead the community in energy efficiency and that it is important to look at the dynamics of the community when developing a strategy.

Mr. Turpin expressed that the strategy used should produce the highest reward for the dollar.

Mr. Schasse questioned the role the AMI meters would play in energy efficiency and asked for a demonstration of how to read the new meters. Staff invited the Commissioners to view a demonstration of the meters in the meter lab at their convenience.

Dr. Miller said he feels that Europe is further ahead in energy conservation.

Joe King said that any substantial energy efficiency plans would be brought as part of the budget process before City Council who would then decide if money should be appropriated for the programs. Mr. King also said that the goal of the energy efficiency strategy should be to benefit all customers.

The Commission Agreed to further discuss strategies at future meetings.

## **Communications**

Communications from City Manager: There was none.

Communications from Utilities Staff: Jim Harr updated the Commission on recent projects in the Water and Gas Division.

Ken Ashworth announced that the Rock Springs transmission line had been energized.

Barry Dunkley spoke on projects in the Water and Wastewater Division.

Communications from Commissioners: Mr. Shanks said he was looking forward to working on the Commission.

Mr. Smith expressed the importance of the Utility Commission, City Council and the City Manager to work together to bring down the cost of energy in Danville.

Mr. Vaughan stated that it was a very complex issue.

Director's Report: R.B. Sloan updated the commission on issues addressed at a recent AMP Board meeting he attended.

Public Comments: There were none.

## **Adjournment**

Mr. Vaughan stated the next meeting is scheduled for September 27, 2010. There being no further business, Chairman Vaughan adjourned the meeting at 6:40 p.m.

**September 27, 2010**

Date Approved

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Chairman  
Danville Utility Commission

Submitted by Patti OKeefe  
Secretary to the DUC