



Danville Utility Commission

4:00 p.m. January 24, 2011 Meeting
Council Conference Room, City Hall

Minutes

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

Commission Members Absent:

Staff Present: Michael Adkins, Barbara Dameron, Rick Drazenovich, Barry Dunkley, Carolyn Evans, Jason Grey, Jim Harr, Jennifer Holley, Nate Lewis, David Parrish, R.B. Sloan, Cynthia Thomasson, and Clarke Whitfield

Others Present: Doug Handley

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 November 22, 2010 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of November 22, 2010. There were none. Mr. Smith made a motion to approve the minutes. Mr. Schasse seconded the motion. The motion was unanimously approved.

Review of Utilities' Financial Statements: Michael Adkins reviewed the November 30, 2010 financial statements. Mr. Adkins said that all funds are performing close to budget and that figures will moderate throughout the fiscal year.

Review of FY 2012 Budget: R.B. Sloan informed the Commission that staff is presenting a status quo budget and would like to take the budget to City Council with the Commission's recommendation for approval in March.

Jennifer Holley spoke on the budget saying that there was no projected rate increase and therefore some enterprise funds would operate in a deficit. Ms. Holley said that one option would be to use funds balance to cover the shortage and that topic would be discussed at a later meeting. Ms. Holley then gave a synopsis of the Utilities' budget.

Mr. Sloan stated that there had been a reduction in operating costs in all funds.

The commissioners questioned if the City's debt could be refinanced again. Barbara Dameron said that she would do research and report back.

Ms. Holley, Cynthia Thomasson, Barry Dunkley, Jim Harr and Rick Drazenovich then answered questions from the Commissioners.

The Commissioners questioned if the engineering costs for the Berry Hill Mega Park were covered by grants from the Tobacco Fund. The City Manager said that staff would investigate and report back.

The Commissioners requested a breakdown of the Wastewater Fund's system maintenance figure and the capital improvement projects figure. Mr. Sloan said that staff would bring those details to the next meeting. Mr. Sloan said that staff would also provide the five year capital improvements projects projections.

The Commissioners questioned the removal of street lights on Route 58. The City Manager spoke on plans to assemble a team that would formulate a policy regarding the installation and removal of street lights. The team, he said would have representatives from the Police, Utility and Public Works Departments.

Comparison of Regional Customer Deposit Practices: R.B. Sloan explained that AMP compiled data from 20 of their customers representing a wide variance of deposit practices. Mr. Sloan said the data showed many policies from no deposit required to three times the highest month's bill.

Carolyn Evans then spoke on regional customer deposit practices and the City's commercial deposit policies. Ms. Evans said that the City's policies are comparable to those of other regional power providers.

Ms. Evans also explained that the Utilities Director had given her authorization to work with small businesses to provide manageable deposit options. These options may include using a surety bond issued from a financial institution or letter of credit from the prior utility. In some cases the business may be allowed to pay half of the deposit up front with an agreement that late payments would signify the rest of the deposit would have to be paid.

The Commissioners expressed that Danville needed to provide a pro business environment without taking risks in an unsure economy.

The City Manager stated that the Service Policies could be amended to include deposit options available to businesses.

Staff stated that a revised Service Policy document addressing business deposit options would be brought back to the Commission.

The Commissioners asked about the recent disconnections of a large number of customers. Ms. Evans explained that due to the extreme cold weather conditions, staff was unable to terminate services for customers for non payment. More than 800 customers were sent letters stating that unless immediate payment was received, disconnection would occur. Approximately 450 customers paid their balances and the remainder had their services disconnected when the weather had moderated.

Review of Proposed Telecommunication Municipal Code: Jason Grey said that staff was assembling a formal telecommunications policy which, after the Commission's recommendation, will go before City Council for approval to be added into City Code. Mr. Grey gave details of the proposed policy.

The Commissioners asked for more clarification in the City's liability and Other Department Billing sections. Mr. Grey said that he would make changes and bring the document back to the next meeting.

Communications

Communications from City Manager: There was none.

Communications from Utilities Staff: Jim Harr updated the Commission on projects in the Water and Gas Department saying that Phase X of the Gas Pipeline Replacement Project was 65% complete.

Carolyn Evans spoke on the Customer Information System's Version 3 hard parallel which will run until February 17th with a go live date on February 22nd.

Barry Dunkley said that he has been closely following new legislative actions and would keep the Commission updated as he receives additional information.

Communications from Commissioners: There were none.

Director's Report: R.B. Sloan spoke on action taken by City Council on the AMP prepay power five year block.

Public Comments: There were none.

Adjournment

Mr. Vaughan stated the next meeting is scheduled for February 28, 2010. There being no further business, Chairman Vaughan adjourned the meeting at 6:20 p.m.

February 28, 2010
Date Approved

Chairman
Danville Utility Commission

Submitted by Patti OKeefe
Secretary to the DUC