



Danville Utility Commission

4:00 p.m. August 22, 2011 Meeting
Council Conference Room, City Hall

Minutes

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

Commission Members Absent: Joe King and Fred Shanks

Staff Present: Michael Adkins, Ken Ashworth, Barbara Dameron, Barry Dunkley, Carolyn Evans, Jason Grey, Jim Harr, Arnold Hendrix, Jennifer Holley, Nate Lewis, David Parish, and Clarke Whitfield

Others Present: 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.

Discussion / Business Items

Minutes of July 25, 2011 Commission Meeting: Chairman Vaughan asked for any corrections, deletions, or adjustments to the minutes of July 25, 2011.

There was a discussion about cost projections for the Energy Efficiency Program. Mr. Smith stated that staff indicated there were projections for the next three years available and he had previously asked to see the figures.

Jim Harr explained that the projections would be an item on next month's agenda.

There were no other comments. Mr. Smith made a motion to approve the minutes. Mr. Turpin seconded the motion. The motion was unanimously approved.

Discussion of PGA Affect on Gross Profit: Michael Adkins gave a detailed explanation on the mechanics of the Power Cost Adjustment (PCA) and the Purchased Gas Adjustment (PGA). Mr. Adkins said that the PCA and PGA keep gross margin on track with what was budgeted.

Mr. Adkins then answered questions from the Commissioners.

Review of Utilities' Financial Statements: Michael Adkins reviewed the June 2011 financial statements. Mr. Adkins stated that the deficit in the Wastewater fund should be eradicated by the end of the fiscal year.

Mr. Smith asked about the \$3 million dollars appropriated for economic development and blight eradication. Barbara Dameron said that she would bring more information to the next meeting.

Mr. Adkins then addressed additional questions from the Commissioners.

New nDanville Transport Rates: Jason Grey said that customers have requested that nDanville expand to include a 10 gigabit service and a 1 mbs transport service. Mr. Grey the system can provide the services and staff had developed additional nDanville Transport Rates to accommodate customers that need more bandwidth and storage. Mr. Grey presented the proposed new rates.

Mr. Grey then answered questions from the Commissioners about fees and how the system is monitored.

Mr. Liverman asked how Danville compares to other providers. Mr. Grey said that nDanville's rates were approximately 25% lower.

Mr. Smith moved that the Danville Utility Commission approve the proposed nDanville transport rate structure which includes the addition of two new services. Mr. Turpin seconded the motion. A vote was cast and the motion passed unanimously.

Communications

Communications from City Manager: There were none.

Communications from Utilities Staff: Ken Ashworth spoke the American Public Power Reliable Public Power Provider (RP3) Award. Mr. Ashworth explained that Danville has won the award the last four years and has been working on the application for this year. The award, which is given every two years, is presented to utilities that excel in reliability, safety, employee development and research and development.

Barry Dunkley said that his staff was in the process of submitting the discharge permit application which is approximately 300 pages long. Mr. Dunkley also said that he is negotiating with Severn Trent whose contract will be finished in December. Mr. Dunkley said that he will bring the contract information to the Commission in the near future.

Mr. Schasse stated that he had discussions with landlords who said they were unable to get information on the utility costs for the rental units they owned. Mr. Schasse said that the landlords were trying to make their housing stock more energy efficient.

Carolyn Evans said that the information is confidential and the tenant would have to sign a form for the landlord to see a copy of the bill. Ms. Evans said the request must be made in writing and the City does not provide a copy of the release.

Communications from Commissioners: Mr. Smith asked about a project on Westover Dr. Jim Harr explained that it was a sewer project done by Public Works and he would find more information.

Director's Report: Jim Harr stated that Danville hedged 25% of three years average firm only gas load for the next four winters and has triggers in place for an additional 25%.

Public Comments: There were none.

Mr. Vaughan welcomed Jim Kendrick to Danville Utilities.

Adjournment

Chairman Vaughan stated the next meeting is scheduled for September 26, 2011. There being no further business, Chairman Vaughan adjourned the meeting at 4:55 p.m.

Submitted by Patti OKeefe
Secretary to the DUC

September 26, 2010
Date Approved

Chairman
Danville Utility Commission