



Danville Utility Commission
4:00 p.m. June 22, 2015 Meeting
Council Conference Room, City Hall
Minutes

Commission Members Present: Joe King, Michael Nicholas, Bob Schasse, Fred Shanks, Phillip Smith

Commission Members Absent: Bill Donohue, Jim Turpin, Dawn Witter

Staff Present: Meagan Baker, Patricia Conner, Carolyn Evans, Arnold Hendrix, Alan Johnson, Clark Whitfield and Allen Wiles

Others Present:

Call to Order and Announcements

Chairman Smith 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 May 11, 2015 Commission Meeting

Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of the May 11, 2015 meeting. There were none.

Mr. Nicholas made a motion to approve the minutes. Mr. Schasse seconded the motion and the motion was unanimously approved.

Review of Utilities' Financial Statements

Patricia Conner reviewed the Utilities' financial statements. Ms. Conner then addressed questions from the Commissioners.

Mr. Smith asked for the date of the last time the utility changed the customer charge fee for electric and if there are any plans to do so in the near future.

Mr. Shanks expressed concern with the overall budget being at 84% for the year however, several of the funds discussed were only at 69% in terms of expenses. He asked if this could be a result of over budgeting. Ms. Conner explained there are some

timing differences based on when the budgeting is actually done versus when the project actually comes to fruition. She further explained that depreciation amounts, because they are real estimates also affect these numbers.

While discussing the PCA, Mr. Shanks requested that the projected recovery number provided by the rate consultants be included in the PCA information each month so that it can be compared to the actual number.

Energy Efficiency Program Information

Meagan Baker explained the results of the Request for Proposal for a residential, commercial and industrial energy efficiency program. The recommended proposal, its program, services and fees were presented.

Mr. Schasse questioned whether customers participating in the residential program would still be eligible for additional equipment rather than just replacement equipment, as he recommended. Mr. Schasse also expressed concern with the commercial and industrial program costs.

Mr. Shanks asked for clarification on the existing prescriptive rebates available to commercial and industrial customers and how these differ from the custom rebates. He also questioned what differentiates the two programs when it comes to paying out incentives.

Mr. Nicholas made a motion to reject the proposal without prejudice to reconsider at a later date. Mr. Schasse seconded the motion and the motion was approved with all voting in favor with the exception of Mr. King.

Danville Utilities Service Policies and Procedures

Chairman Smith opened the floor for a public hearing allowing any comments on the miscellaneous fees and service policies. Bruce Hedrick raised several concerns and provided recommendations on ways Danville Utilities can increase its customer satisfaction. At the conclusion of his comments, the hearing was closed.

Carolyn Evans discussed language changes made throughout the policies and procedures document in order to make wording consistent, provide clarification and eliminate confusion. She gave updates on changes in deposit amounts for water and sewer.

Mr. Shanks expressed concern that the deposit amount for commercial accounts is extremely high and could turn businesses away. He was also concerned that the customer does not receive the deposit back until after three years.

Mr. Nicholas expressed concern with the elimination of the interest received on security deposits for accounts that do not maintain a good pay record.

Mr. Nicholas also expressed concerns on the number of days (18) customers have to pay their bill each month before a penalty is assessed. He recommends more than 18 days as most credit card and other bills allow 25-30 days to pay before interest or penalties are applied. Mr. Shanks also agreed.

Mr. Nicholas stated his issues with the 1.5% penalty if payment is not received by day 18, the \$50 delinquent payment fee that is charged if payment is not received by day 35 and the \$50 reconnect fee assessed if an account is disconnected for nonpayment, then paid current and reconnected. He stated that \$50 seems excessively high and that they city should absolutely charge a delinquent fee however, that fee should represent the actual cost the city incurs. He asked for reasoning behind the \$50 reconnect fee.

Mr. Shanks also agreed with the fee amounts mentioning that they are too high and hard for customers who are already struggling to pay their bill.

Mr. Smith and Mr. Nicholas stated that because all accounts do not require a truck roll to reconnect services, the reconnect fee should be reevaluated.

Mr. King stated that he believes it is reasonable to shift to a reconnect fee charge if a truck roll is necessary. It is important to note that water and gas reconnects always require a truck roll.

Mr. Nicholas made a motion to consider the Danville Utilities Service Policies and Procedures as well as the miscellaneous fees that were considered previously and that staff advertise the fees if required, so that discussion can continue at the next meeting.

Mr. Schasse seconded the motion and the motion was approved.

The Commission continued discussion on the remaining service policies and procedures changes.

Concerning disconnects during extreme weather conditions, Ms. Evans mentioned that currently the utility does not connect if temperatures are below 32 degrees and above 100 degrees. After further discussion, it was agreed that the utility will not disconnect for temperatures above 90 degrees.

Mr. Shanks expressed concerns with customers not being able to sign up for the equal pay plan who already have bad pay records explaining that if they were on the pay plan it may be easier for them to pay their bill each month.

Mr. Smith asked Ms. Evans and the Utilities staff to provide a revised version of the Danville Utilities' Service Policies and Procedures addressing the items mentioned in today's meeting.

Department Discussions

Joe King announced that the Electric Service Steering Committee's recommendations submitted by the Danville Utility Commission were adopted by City Council but no formal action has been taken. However, council did discuss the committee's recommendation that consideration be given to make the Danville Utility Commission an independent governing body. City Council determined that it will maintain the authority of the commission as is, under current city code. Mr. King passed out hard copies of the memorandum and will email copies to the entire commission.

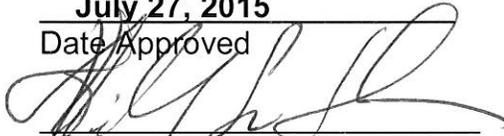
Alan Johnson spoke about the taste and odor issues resurfacing in the city's water. Beginning on June 2, they increased the carbon amount being put in the city's water and it seems to be taking care of the issues. Staff members went and took several samples of the Dan River and Smith River to see if they can determine where the odor is coming from. Staff has notified the state of Virginia office of water programs that the issue returned again.

Mr. Whitfield mentioned that the election of the Chair and Vice-Chair will take place at the next meeting.

Adjournment

Chairman Smith stated the next meeting is scheduled for July 27, 2015. There being no further business and since a quorum was no longer present, all members left the meeting at 6:22 p.m.

Submitted by Meagan Baker
Secretary to the DUC

July 27, 2015
Date Approved

Chairman
Danville Utility Commission