



Danville Utility Commission
4:00 p.m. July 27, 2015 Meeting
Council Conference Room, City Hall
Minutes

Commission Members Present: Joe King, Michael Nicholas, Bob Schasse, Phillip Smith, Jim Turpin

Commission Members Absent: Bill Donohue, Fred Shanks, Dawn Witter

Staff Present: Meagan Baker, Patricia Conner, Barry Dunkley, Carolyn Evans, Jason Grey, Jenny Holley, Alan Spencer and Allen Wiles

Others Present: Harry Phillips of AMP, Mark Beauchamp of Utility Financial Solutions

Call to Order and Announcements

Assistant City Attorney Alan Spencer called the meeting to order and asked that the attendance be recorded.

Mr. Spencer asked for nominations for Chair of the Danville Utility Commission. Mr. Turpin nominated Mr. Smith and Mr. Schasse nominated Mr. Donohue. With a 3-1 vote, Mr. Smith was reelected as Chairman. Mr. Spencer asked for nominations for the Vice-Chair for the Danville Utility Commission. Mr. Schasse nominated Mr. Donohue for Vice Chair. With a 5-0 vote Mr. Donohue was elected Vice-Chair.

Discussion/Business Items

Minutes of June 22, 2015 Commission Meeting

Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of June 22, 2015.

Mr. King made a motion to approve the minutes. Mr. Schasse seconded the motion and the motion carried.

Review of Utilities' Financial Statements

Patricia Conner reviewed the Utilities' financial statements. Ms. Conner then addressed questions from the Commissioners. Ms. Conner also provided follow up information on questions asked at last month's meeting.

Recognize AMP Scholarship Award Recipient

Mr. Harry Phillips, director of marketing for American Municipal Power (AMP) presented Mr. Landon Holley with the 2015 AMP Gorsuch Scholarship Award. Landon is the son of Danville Utilities' Support Services Director, Jennifer Holley.

Danville Utilities Service Policies and Procedures Follow Up

Ms. Carolyn Evans followed up on the items addressed at the June meeting and discussed the changes made to the Service Policies and Procedures. The reconnect fee was removed except on the occasion when a technician must be sent in order to reconnect the service such as for transformer rated meters, water and gas meters.

Clarification was provided concerning deposit interest. Interest accrues each month on the deposit but if a penalty is assessed, interest does not accrue for that particular month. When the account returns to a good pay record, the interest will resume.

For final account reconciliations, customers with credit balances on final accounts will be refunded within ten working days of the final bill due date.

Mr. Turpin made a motion to move that the Danville Utility Commission approve the revised Danville Utilities Service Policies and Procedures as recommended by the utilities department staff effective August 1, 2015.

Mr. Schasse seconded the motion and the motion passed unanimously.

Power Cost Adjustment Recovery Follow Up

Mr. Mark Beauchamp of Utility Financial Solutions (UFS) discussed the reduction strategy of the PCA balance. He recommended writing down the PCA balance based on operating losses, cash balances and debt coverage. The commissioners discussed the information and agreed to include a motion at next month's meeting to vote on the final amount to write off.

Discussion Regarding Time-of-Use and Distribution Rate

Mr. Mark Beauchamp of UFS first discussed the development of a Time-of-Use rate. He explained the utilities' hourly load profile, peak periods and rate costs.

Mr. Schasse asked if a tool would be available for customers to monitor their usage. Mr. Grey mentioned that the utility is looking into an online portal where customers can log-in to a personal account and view their usage.

Mr. Turpin expressed concern with how the TOU rate may impact the utility's revenue.

Mr. Smith asked for the staff to provide projected dollar amounts based on different scenarios so that customers will fully understand the risks and benefits of the rate.

Next, Mr. Beauchamp explained the proposed distribution rate which would allow customers to purchase their own power. The distribution charge would include the cost to deliver the power to the customer from another power provider.

Mr. Turpin again, expressed concern with the loss in profit as a result of this rate.

Discussion on Schoolfield Dam Purchase Power Agreement

Mr. Grey explained the contract with STS power is coming to an end in October 2015. Danville Utilities has the option of entering a purchase power agreement. Additionally, this project could be used as part of the utility's renewable energy portfolio.

Mr. King made a motion that the Danville Utility Commission approve the proposed terms in order to enter into a purchase power agreement with STS Hydropower for the energy produced at Schoolfield Dam under option number two. Mr. Turpin seconded the motion and the motion was unanimously approved.

Department Discussions

Barry Dunkley updated the commission on the EET Watershed Contaminates Report that was submitted last week. EET will give a presentation explaining their findings at the August DUC meeting. Mr. Dunkley also mentioned that a regional coalition has been created to help determine what changes have taken place in the river water.

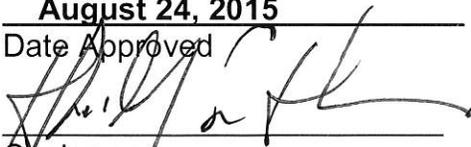
Mr. King questioned the status of the new carbon feeder. Mr. Dunkley estimated it will be delivered in the middle of September and should take about a week to be installed.

Adjournment

Chairman Smith stated the next meeting is scheduled for August 24, 2015. There being no further business, Chairman Smith adjourned the meeting at 6:20 p.m.

Submitted by Meagan Baker
Secretary to the DUC

August 24, 2015

Date Approved


Chairman
Danville Utility Commission