



Danville Utility Commission
4:00 p.m. August 24, 2015 Meeting
Council Conference Room, City Hall
Minutes

Commission Members Present: Bill Donohue, Joe King, Bob Schasse, Fred Shanks, Phillip Smith, Jim Turpin

Commission Members Absent: Michael Nicholas

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

Others Present: Nancy McTeague of EET

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 July 27, 2015 Commission Meeting

Chairman Smith asked for any corrections, deletions, or adjustments to the minutes of July 27, 2015.

Mr. Turpin 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' pre-closing financial statements. Ms. Conner then addressed questions from the Commissioners.

Power Cost Adjustment (PCA) Write Off

Mr. Smith asked Mr. Adkins to provide the commissioners with an update on the PCA write off. Mr. Adkins stated that the plan was feasible and that he didn't believe it would have any adverse effects on bond ratings or the performance of the electric fund.

The commissioners further discussed the plan. Mr. Donohue mentioned that the commission should keep in mind that this would be taking one month's cash from 8 million to 6 million.

Mr. Donohue made a motion that the Danville Utility Commission approve writing off \$2 million dollars towards the power cost adjustment deficit balance based on the analysis performed by Danville Utilities' rate consultant. Mr. Schasse seconded the motion and the motion was unanimously approved.

EET Watershed Contaminates Report

Mr. Dunkley stated that this report was initiated as a result of the coal ash spill.

Nancy McTeague of EET gave a summary of the watershed contaminates report. She mentioned that they studied the upper Dan River watershed covering nearly 2,000 square miles. She provided an assessment of potential contamination sources including industries, utilities, agriculture and other potential sources. She discussed short term and long term options such as river bank filtration, water treatment plant audit, automatic sludge removal and more.

Ms. McTeague and Mr. Dunkley addressed additional questions from the commissioners.

LED Street Lighting Project

Mr. Grey discussed the LED street light project that was proposed in last year's budget and how the utility would like to propose a new plan to test LED lights to see how economical the project would be. The results could be presented at a later date and at that time, the decision could be made as to whether or not the full project should take place.

Mr. Smith made a comment that Danville Utilities should treat the City of Danville just as any other customer.

Mr. King mentioned that the utility would do the testing in order to get a good idea of the expected cost and how long it would take for return on investment.

Mr. Shanks suggested that the 1.2 million the city receives from the state should be reevaluated to see if the price is still appropriate.

Mr. Donohue suggested partnering with Virginia Tech's Engineering Department to see if the utility could get help from them. An example was a graduate student could use the project as a thesis.

Mr. Turpin made a motion that the Danville Utility Commission support staff's LED lighting evaluation plan in FY2016 while budget and preliminary plans are developed for a multi-year LED street lighting project. Mr. Schasse seconded the motion and it was unanimously approved.

Department Discussions

Mr. Dunkley mentioned that the staff met with DEQ who gave a presentation on the results of the coal ash monitoring. They have not made any correlation with the coal ash spill and the city's taste and odor issues.

He also mentioned that the new carbon feeder has been installed and is operational.

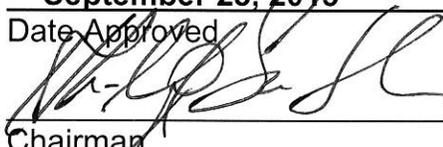
Mr. Grey gave an update on the Prairie State project stating that things are going very well and many improvements have been made. It has been operating at over 90% for the past few months. Next month, three hydro plants will come online and the rest will come online by the end of the year, with the exception of one which will come online next summer.

Adjournment

Chairman Smith stated the next meeting is scheduled for September 28, 2015. There being no further business, Chairman Smith adjourned the meeting at 5:40 p.m.

Submitted by Meagan Baker
Secretary to the DUC

September 28, 2015

Date Approved


Chairman
Danville Utility Commission