



Commission Members Present: Anna Kautzman, Ken Larking, Helm Dobbins, Vanessa Cain, Sheila Williamson-Branch, Mary Williamson, Steven Merricks, Gary Miller

Commission Members Absent: Vic Ingram

Staff Present: Ryan Dodson, Janet Davis, Michael Adkins, Jason Grey

Others Present: Mark Beauchamp, Utility Financial Solutions, LLC

Call to Order

Chairman Cain 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 October 24, 2022 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from October 24, 2022.

Mr. Dobbins made a motion to approve the minutes. Ms. Williamson-Branch seconded, all members voted in favor, and the motion was carried unanimously.

Review of Utilities' Financial Statements

Mr. Adkins presented the utility financial statements for each utility fund.

2023 Biennial Rate Study

Mark Beauchamp from Utility Financial Solutions (UFS) presented a review of the City's electric, gas, water, and wastewater rate requirements for fiscal years 2024 and 2025.

In wastewater, Utility Financial Solutions (UFS) recommended no rate changes as the current rate structure was aligned with the current cost of service.

Mr. Beauchamp recommended several rate changes to the water fund in Fiscal Year 2025 (FY2025) due to the capital projects that are ongoing and the increase in the cost of service. The overall projected rate adjustment to water rates is five percent in FY 2025. No increases were recommended for Fiscal Year 2024 (FY 2024).

Several Commissioners asked would rates be readdressed should grant funding become available. Mr. Grey responded that any additional funding that could affect rates would be addressed in the next rate study.

Mr. Beauchamp recommended no changes to the gas fund.

Mr. Beauchamp presented several changes in the electric fund for FY2024 to meet the targeted debt coverage ratio and minimum cash fund balance goals. He recommended raising the customer charges in order reach the cost-of-service targets. He also recommended lowering the cost per kilowatt-hour (kWh) on all rate classifications except for the Worship Rate and the High Load Factor Rate, which is based on market pricing. The changes for residential customers would only raise costs for that classification by one-third of a percent based on the average 1,000kWh bill. These changes equaled a net zero effect but shifted funding to the areas where cost of service was higher and lowered funding to areas where cost of service was lower.

Department Discussions

Commission members wished everyone a Merry Christmas.

There was no further communication from commission members or the public.

Mr. Grey updated the Commission on the substation upgrades and informed them that the New Westover Substation upgrades were energized today and now in service.

Adjournment

Ms. Cain stated the next meeting is scheduled for January 23, 2023. There being no further business, Mr. Dobbins made a motion to adjourn, and Ms. Williamson-Branch seconded. All members voted in favor, and the motion carried. Ms. Cain adjourned the meeting at 4:33.

Submitted by Janet C. Davis
Secretary to the DUC

January 23, 2023

Date Approved



Chairman

Danville Utility Commission