

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
January 25, 2012

Members Present: Councilor Patrick Boyle, John Bruggeman, Patrick Huston, Councilor Jennifer Julsrud, Robert Prusak, Linda Sellner

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid

Members Absent: Councilor Jay Fosle

Call to Order: The meeting was called to order at 5:17 p.m. by Vice President Huston.

Approval of previous meeting minutes

Commissioner Prusak abstained as he was not present at the December meeting.

Old business:

Update of filling vacant citizen commissioner position

The vacant position has been filled by Robert Prusak.

New business:

Discussion of water comprehensive plan

Staff provided a capital improvement plan for the water system which included financial documents detailing the rate increases required to complete the necessary projects. Eric Shaffer explained what was included in the capital improvement plan and how he came up with the dollar amounts. The intent is to review and update this plan and the water main replacement plan each year. Jim Benning explained the chart showing the cash reserve needed and incremental increases that would result in \$4M available for capital projects by 2016.

Commissioner Julsrud inquired as to the legality of a multi-year rate resolution. Bob Asleson explained that there is nothing in the code to prevent the commission from enacting a multi-year rate increase program. The commission could reconsider any adopted rate increases in future years and change them if necessary.

Jim Benning reminded the commission that we don't have the numbers for the water cost of service study and the conservation rates yet. Those will be brought to the commission in February. The numbers presented today are based on an April 1st effective date. Staff and commissioners discussed what was included in the plan and various options for implementation. Staff will prepare more scenarios for the commission to consider.

Discussion of Sec. 43-9: Sewage allowance for outdoor use (sprinkling credit)

During the summer months, April through August, customers' sewage is billed based on water consumption from October through March. The intent is to keep customers from paying sewage for water they use to water their lawns or fill up their swimming pools. This is currently determined on an account by account basis. Because some customers are gone during the winter months, they are not paying their fair share of sewage charges. The ordinance gives the director authority to change how the credit is determined. Jim Benning plans to base the credit on the residential average for those months,

which is approximately 6 units of water. No one will receive a credit for usage below 6 units. Commissioners and staff discussed changing the months or potentially eliminating the credit altogether. City Council would have to amend the ordinance to change the effective months.

Updates from staff

Commissioners Fosle and Prusak are up for reappointment in April. Fosle has said he does not want to be reappointed, but Prusak has said he will accept. Bob Asleson will work on changing the maximum service to two full consecutive terms for each commissioner.

The gas cost of service study is under way. By the time the commission is finished considering water options, it should be ready for discussion.

The force main work at 52nd Ave E and Dodge Street is progressing.

The new storage tank was filled with water and did not leak. It will be ready any day now.

Liquid Assets Minnesota has been broadcasted. Each commissioner will receive a copy.

We had a large water main break downtown. Tri-Towers has been out of water for at least 24 hours. Pictures were available of a broken cross section. There were 8 or 9 water main breaks on Glenwood in a 2 month period. City crews installed 1,000 feet of water main to solve this problem.

Tim Olson and Jerry Fallos, representatives from the offices of Congressman Cravaack and Senator Klobuchar, were given a tour of the Lakewood treatment plant today. Staff spoke to them about the aging equipment and the importance of providing potable water to the City of Duluth. Howard Jacobson also sent them a link to the Liquid Assets Minnesota video. Jerry Fallos said that he will contact some people about the availability of grants for municipalities.

The Hibbard steam plant put in a well. They will be pumping their own water for their boiler. We will need to meter their sewage a little differently.

Upcoming Council actions

No actions were discussed.

Commissioner questions or comments

Commissioner Boyle is concerned about how the conservation rates will affect Spirit Mountain, Chester Bowl, and the Great Lakes Aquarium. There are only 21 customers in that category. City staff will look at each one individually.

Commissioner Sellner inquired about the Aquarium utility bills. These were paid out of the tourism tax fund.

The citizen commissioners feel that they did not have enough time to consider the resolutions from the previous meeting, especially the amendment. Commissioner Julsrud explained the history behind moving to a more formal meeting procedure. The commission is new and procedures can be changes if they feel it is necessary. Staff explained the reasoning behind moving to a meeting resolution based agenda and basic instructions and advice for parliamentary procedure. Bob Asleson also mentioned that the commission can decide how early they want to receive their meeting packets. Commissioners are always welcome to contact staff with any questions or concerns. Commissioner Boyle reminded

commissioners of the importance of having a citizen-driven commission and advised them to say something if they feel overwhelmed or need time to consider issues further. Vice President Huston asked about how the agendas are formed. Staff generally forms the initial agenda, which is then amended or approved by the President. Commissioners can approach Jim Benning with any requested additions or they can bring them up at the end of a meeting.

Vice President Huston inquired about an e-mail sent concerning private water lines. Eric Shaffer explained the situation. Installation of private water lines was allowed years ago. This is no longer allowed, but each year old lines break. For the City to own a line, our policy requires it to be put in per City standards and paid for or assessed initially by the residents. Shaffer thought the residents referred to in the e-mail were going to go ahead with replacing the line, but they decided not to.

Agenda for next meeting

The next meeting will be on Tuesday, February 21, 2012, at 5:15 p.m. in City Council Chambers. The commission will elect officers and will consider a water rate resolution presented by staff.

Adjournment: The meeting was adjourned at 6:48 p.m.

A recording of this meeting is available upon request.