

DULUTH PUBLIC UTILITIES COMMISSION
Special Meeting Minutes
March 27, 2013

Members Present: Councilor Sharla Gardner, Patrick Huston, Councilor Jennifer Julsrud, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

Members Absent: Robert Prusak

Staff Present: Bob Asleson, Alisa DeRider, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid, Pete Upton

Call to Order: The meeting was called to order at 5:18 p.m. by President Sellner.

Approval of previous meeting minutes

New business:

Gas base rate resolution

Eric Shaffer explained that resolution 13PUC-003 that was passed at the last meeting was intended to be revenue neutral. Upon further research by staff, it was found that it would result in additional revenues. Staff then revised their calculations and created a new resolution that would truly be revenue neutral. Staff recommends that the commission reconsider resolution 13PUC-003, vote it down, and then consider 13PUC-004 instead.

13PUC-003 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER MARCH 31, 2013; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF APRIL 1, 2013. Commissioner Julsrud motioned to reconsider 13PUC-003. The motion was approved unanimously. President Sellner wanted to discuss resolution 13PUC-004 prior to voting on resolution 13PUC-003.

13PUC-004 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER APRIL 30, 2013; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF MAY 1, 2013. Commissioner Julsrud motioned to consider resolution 13PUC-004. President Sellner presented her concerns about how the PGA was calculated and the PILOT. Staff explained how the PGA, the PILOT, and the base rate are calculated. The PILOT is what caused the issue with the resolution that was approved at the last meeting. The new calculation is an easier way to follow the 7% PILOT. The PGA paragraph in the new resolution was revised to clarify how the PGA was calculated.

After further discussion, Commissioner Julsrud called the question on resolution 13PUC-003. The call on the question was approved unanimously. Resolution 13PUC-003 failed unanimously.

Resolution 13PUC-004 passed unanimously.

Updates from staff

Eric Shaffer said that the gas main replacement project on 1st Street was bid out. Hanco got the project with a bid of \$480,000, and the work will start soon. The gas blanket contract is out for bid. The water main job is about to go out to bid, and there is a public meeting tonight for that. The gas riser project will be advertised soon. The surge tank that will allow the West Duluth Booster Station to continue to

operate while the roof is replaced on the West Duluth Reservoir has been advertised and will be out for bid soon. The roof replacement project should be bid out in the fall. The cured in place pipe project for sanitary sewer is well under way.

Upcoming Council actions

A new commissioner is needed to replace Commissioner Huston, since this is his last meeting.

Commissioner questions or comments

President Sellner apologized for her inefficiencies with parliamentary procedure and stated that she would work on it.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 16, 2013, at 5:15 p.m. in City Council Chambers.

Adjournment: The meeting was adjourned at 6:12 p.m.

A recording of this meeting is available upon request.