

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**August 16, 2016**

**Members Present:** Councilor Zack Filipovich, Jim Lewis, Rob Prusak, Councilor Joel Sipress, Councilor Em Westerlund

**Members Absent:** Jen Julsrud, Jason Thorsell

**Staff Present:** Liz Bieter, Leanna Gilbert, Howard Jacobson, Chris Madden, Eric Shaffer, Glenn Strid

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

**Approval of previous meeting minutes**

**New business:**

**Banking rules regarding credit card fee**

The City has an arrangement with our credit card company that we will not charge any additional fees and in return we get a better rate. For that reason, we will not be moving forward with the \$5.00 credit card processing fee.

**2017 utilities budget discussion**

Glenn Strid explained the various lines of the utility cash projections that were included in the meeting packets. He then went through revenues, expenses, and cash balances for each of the utilities, highlighting any significant differences from year to year, and answered questions from commissioners. Commissioners were encouraged to continue reviewing the budget data and submit further questions prior to the next meeting so that staff can do any necessary research. Eric Shaffer answered questions regarding the 5-year capital plans that were also included in the meeting packets. He also asked for the Commission's opinion on starting a lead service replacement program, which would require a rate increase to cover the cost. Commissioners preferred to continue with the current method of controlling the lead content, which is to treat the water with caustic soda. Lead services are replaced when water mains are replaced.

**Updates from staff**

Eric Shaffer reported that there are many projects under construction, including Michigan Street, 4<sup>th</sup> Street water and gas mains, and the gas main coming from UMD to 4<sup>th</sup> Street.

**Upcoming Council actions**

No upcoming actions were mentioned.

**Commissioner questions or comments**

President Prusak inquired about the water model that was discussed in March. Eric Shaffer said that the vendor is waiting for us to give them some hydrant data. The project should be on track for completion in September.

**Preview of upcoming business**

The next meeting is scheduled for Tuesday, September 20, 2016, at 5:15 p.m. in City Council Chambers. The Commission will continue to review the 2017 utilities budgets. Commissioner Westerlund asked if any rate increases are anticipated for next year. Eric Shaffer replied that he could use whatever money we can get for water. City staff is still discussing stormwater, so there could potentially be an increase in that utility.

**Adjournment:** The meeting was adjourned at 7:17 p.m.