

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, April 21, 2015

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting and hearing minutes
3. Old business
 - 3.1 15PUC-004 - RESOLUTION AMENDING ARTICLE V SECTION 1 OF THE BYLAWS PERTAINING TO OFFICERS.
 - 3.2 City Council summer break schedule
4. Updates from staff
5. Upcoming Council actions
 - 5.1 Resolution to increase the number of AHEAP audits
6. Commissioner questions or comments
7. Preview of upcoming business

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
March 17, 2015

Members Present: Councilor Zack Filipovich, Councilor Jennifer Julsrud, Rob Prusak, Jim Ramnes, Linda Sellner, Councilor Joel Sipress, Jason Thorsell

Staff Present: Bob Asleson, Jim Benning, Liz Bieter, Leanna Gilbert, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:15 p.m. by President Prusak.

Public hearing on wastewater rates

The Commission held a public hearing on sanitary rate resolution 15PUC-001. No one from the public was present to speak. After a brief summary of the resolution and the purpose for the changes, the hearing was closed and the Commission moved on to the next hearing.

Public hearing on service fees

The Commission held a public hearing on fee resolution 15PUC-002. No one from the public was present to speak. After a brief summary of the resolution and its purpose, the hearing was closed and the Commission moved on to the regular meeting.

Approval of previous meeting minutes

Old business:

15PUC-001 - RESOLUTION ESTABLISHING THE CUSTOMER CHARGE AND USER CHARGES FOR THE CITY'S WASTEWATER FACILITIES EFFECTIVE WITH METER READINGS AFTER MAY 1, 2015; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES.

Resolution 15PUC-001 was approved unanimously.

15PUC-002 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.

After a few questions about the various fees and some discussion, the Commission voted unanimously to approve resolution 15PUC-002.

New business:

15PUC-003 - RESOLUTION APPROVING THE 2015 CAPITAL IMPROVEMENT PLAN FOR THE NATURAL GAS SYSTEM.

Eric Shaffer explained this plan at the previous meeting. After some discussion, resolution 15PUC-003 passed 6-1 (Sellner).

15PUC-004 - RESOLUTION AMENDING ARTICLE V SECTION 1 OF THE BYLAWS PERTAINING TO OFFICERS.

There was not enough notice to vote on 15PUC-004 at this meeting, but commissioners discussed its purpose. The Commission will vote on the resolution at the April meeting.

Conservation programs

Liz Bieter provided information on available conservation programs as requested at the previous meeting. She gave a brief summary of the information and answered questions from commissioners.

Updates from staff

Jim Benning reported that there are still frozen services. There were three more yesterday. Utility crews have been working on a lot of frozen storm sewers and culverts. We are continuing with the termination of the consent decree.

Liz Bieter gave an update on Georgetown. We are targeting the Morgan Park neighborhood for increasing conservation. There are weekly discussions to make plans.

Upcoming Council actions

President Prusak is up for reappointment. There are also resolutions for the street preservation project which doesn't involve any utilities, the CEE agreement, the extension of the agreement with PFA for Riverside, the award of the gas blanket project to Hanco Utilities, and some easements and vacations.

Commissioner questions or comments

President Prusak mentioned the City Council summer break. He is concerned that it may affect the DPUC June meeting. The councilors will check their schedules.

Commissioner Sellner requested information about the definition of impervious surface in the ordinance on the City Council agenda. Eric Shaffer stated that the definition in the ordinance is the same as the MPCA definition. This is just to update Chapter 43 of the City Code, which was missed when the UDC was updated.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 21, 2015, at 5:15 p.m. in City Council Chambers. There will be a resolution to amend the bylaws regarding election of officers.

Adjournment: The meeting was adjourned at 6:08 p.m.

DULUTH PUBLIC UTILITIES COMMISSION
Public Hearing
March 17, 2015

Members Present: Councilor Zack Filipovich, Councilor Jen Julsrud, Rob Prusak, Jim Ramnes, Linda Sellner, Councilor Joel Sipress, Jason Thorsell

Staff Present: Bob Asleson, Jim Benning, Liz Bieter, Leanna Gilbert, Eric Shaffer, Glenn Strid

Call to Order: The hearing was called to order at 5:15 p.m. by President Prusak.

Under consideration was a proposed adjustment to the sanitary rates.

Jim Benning explained that the purpose of the resolution is to adjust the sanitary rate for Class IX customers to a more equitable share of sanitary charges, which was determined to be 60% of the residential rate. The two steam plants are the only customers in that rate class. The resolution also included the deletion of the obsolete sanitary rate Class VI.

No one was present to speak at the hearing.

The Duluth Public Utilities Commission discussed and voted unanimously to approve the sanitary rate resolution after the public hearing closed.

Adjournment: The hearing was adjourned at 5:18 p.m.

A recording of this hearing is available upon request.

DULUTH PUBLIC UTILITIES COMMISSION
Public Hearing
March 17, 2015

Members Present: Councilor Zack Filipovich, Councilor Jen Julsrud, Rob Prusak, Jim Ramnes, Linda Sellner, Councilor Joel Sipress, Jason Thorsell

Staff Present: Bob Asleson, Jim Benning, Liz Bieter, Leanna Gilbert, Eric Shaffer, Glenn Strid

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

Under consideration was a proposed resolution to approve and establish fees for various utility-related services.

Jim Benning explained that the resolution would formally transfer rate-setting authority for the listed fees that had previously been set by the City Council to the Duluth Public Utilities Commission.

No one was present to speak at the hearing.

The Duluth Public Utilities Commission discussed and voted unanimously to approve the resolution establishing fees after the public hearing closed.

Adjournment: The hearing was adjourned at 5:19 p.m.

A recording of this hearing is available upon request.

RESOLUTION NO. 15PUC-004

**RESOLUTION AMENDING ARTICLE V SECTION 1 OF
THE BYLAWS PERTAINING TO OFFICERS.**

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that Section 1 of Article V of the Bylaws of the Commission is hereby amended to read as follows:

Section 1: The Commissioners shall annually choose a President and Vice President as provided for in Section 2-184(d) of the Code, neither of which shall be a city councilor. The Director of Public Works and Utilities or his or her designee is hereby designated to serve as Secretary of the Commission.

Approved by the DPUC:

(date)

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE: The purpose of this resolution is to amend the Bylaws of the Commission to provide that the president and the vice president of the Commission shall be non-city councilors.

PUBLIC WORKS AND UTILITIES COMMITTEE

12-XXXXR

RESOLUTION AMENDING RESOLUTION NO. 12-0423 INCREASING THE NUMBER OF AUTHORIZED AUDITS TO 1200 AND INCREASING THE FUNDING THEREFORE BY AN ADDITIONAL \$80,000.

CITY PROPOSAL:

RESOLVED, that City Council resolutions Nos. 11-0153 authorizing advanced home energy audits under the advance home energy audit program is hereby amended by increasing the number of audits authorized under the program from 800 to 1200 and by increasing the authorized cost thereof from \$120,000 to \$200,000, the increased amount to be payable from Fund 555-500-5441 (home energy conservation, public works and utilities).

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

PW&U/ATTY REA:

STATEMENT OF PURPOSE: The purpose of this amendment is to increase the number of audits authorized from 800 up to 1200 audits by December 31, 2016 and to increase the total authorized cost of audits from the currently authorized \$120,000 up to a maximum of \$200,000.

As of March 6, 2015, 716 Advanced Home Energy Loan Program (AHEAP) audits have been performed and 16 audits are pending through the program. AHEAP participants have received 105 Home Energy Loans to install conservation or efficiency measures in their homes that were identified during the AHEAP audit. The program uses the home energy audit performance contractors listed on ComfortSystems' website in partnership with Minnesota Power which shares the program costs with Duluth Public Works and Utilities. The typical cost of this audit to the customer is \$375 to \$425. ComfortSystems provides the customer with a \$200 audit rebate and MN Power provides the customer with a \$100 rebate after the auditor sends the utility a copy of the audit report. Most audits identify air sealing, insulation upgrades, boiler, furnace, and water heater efficiency improvements. Customers are paying about \$75 to \$125 of the audit cost. The audit results are used to qualify energy measure upgrades for ComfortSystems' residential energy conservation program, and Minnesota Power's residential programs.

In partnership with the Duluth Energy Efficiency program customers receive assistance to select contractors to implement efficiency and conservation measures after a measure has been identified.

The AHEAP is a crucial service for Duluth's participation in the Georgetown University Energy Prize competition. This competition will be used to increase participation in the City's AHEAP energy assessment program.

Audits through AHEAP are performed for residential customers limited to the budgeted funds allocated by the council each year with any projects not funded in one year eligible in the next year. Regulations of the state of Minnesota require that the City's natural gas utility expend an amount equal to one-half of one percent of its gross revenues from the gas utility on energy conservation programs. This conservation program helps the City's natural gas utility to meet the State's requirements.