

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, November 19, 2013

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. New business
  - 3.1 13PUC-012 - RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 43-09 OF THE CITY CODE TO MAKE THE SPRINKLER CREDIT APPLICABLE FROM MAY 1 THROUGH SEPTEMBER 30TH. (Stauber)
  - 3.2 13PUC-013 - RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 43-09 OF THE CITY CODE TO MAKE THE SPRINKLER CREDIT APPLICABLE FROM JUNE 1 THROUGH SEPTEMBER 30TH. (Julsrud)
  - 3.3 13PUC-014 - RESOLUTION AMENDING 11PUC-WLSSD AUTOMATICALLY INCREASING OR DECREASING SANITARY SEWER RATES TO REFLECT SEWER CHARGES IMPOSED BY WLSSD FOR COST OF TREATING CITY'S SANITARY SEWER DISCHARGES TO THE WLSSD SYSTEM.
  - 3.4 13PUC-015 - RESOLUTION AMENDING BYLAWS TO PROVIDE FOR PW&U BUDGET REVIEW PRIOR TO OCTOBER 1.
  - 3.5 Capital projects update
  - 3.6 Stormwater transfers to General Fund for street sweeping
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**October 15, 2013**

**Members Present:** Councilor Jennifer Julsrud, Robert Prusak, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

**Members Absent:** Councilor Sharla Gardner, Jim Ramnes

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

**Call to Order:** The meeting was called to order at 5:20 p.m. by President Sellner.

**Approval of previous meeting minutes**

**Old business:**

**2014 utility budget**

13PUC-010 - RESOLUTION APPROVING AND RECOMMENDING 2014 UTILITY BUDGET.

Staff answered various questions about the 2014 proposed budget. Commissioner Stauber noted that the first paragraph of the resolution referred to the wrong section of City Code and should be corrected to read "pursuant to 2-186 (d) of the Duluth City Code". Vice President Prusak motioned to approve resolution 13PUC-010. The motion passed.

**Two-tier natural gas rate**

13PUC-011 - RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 48-214 TO AUTHORIZE THE DPUC TO ESTABLISH PROGRAMS AND PROCEDURES FOR GAS EXTENSIONS.

Staff explained the purpose of the resolution, which is to recommend that Council grant authority to the DPUC. We need to renew the old two-tier program that expires this month. Commissioner Julsrud motioned to amend the third paragraph of the resolution to read "natural gas system extensions only within Duluth City limits." After some discussion, the amendment was withdrawn. Vice President Prusak motioned to approve 13PUC-011. The motion passed.

**Updates from staff**

Jim Benning mentioned the letter from WLSSD stating a decrease in charges from 2013 of approximately \$250,000. This decrease is due to a reduction of flows and loads. Commissioner Stauber requested staff write up a resolution to include language that would allow for automatic decreases as well as increases.

Jim Benning reported that the budget presentation for Council was almost ready except for the addition of performance measures. The presentation will be on November 12<sup>th</sup>.

Jim Benning mentioned the gas main project on West 1<sup>st</sup> Street. There were 4 water main breaks while crews were preparing to pave, so we will be replacing 465 feet of water main before the street can be paved.

Jim Benning stated that the bylaws provide for approval and recommendation of the annual budget prior to July 31<sup>st</sup>. This should be amended to move the discussion of the budget from July to September,

since that is more in line with the budget preparation timeline. Staff will write up a resolution for that amendment.

Eric Shaffer reported on the progress of various utility projects, including the surge tank, the West Duluth Reservoir roof, Raleigh Street water main, the gas blanket project, and the copper risers project.

Alisa DeRider said that City utility management personnel had won a design challenge for New World Systems and will receive \$50,000 of free service upgrades for utility billing from the vendor.

Howard Jacobson mentioned that the City won the Best in Glass award from AWWA.

#### **Upcoming Council actions**

None were mentioned.

#### **Commissioner questions or comments**

Vice President Prusak requested an update on capital projects, and staff agreed to add that to the agenda for the November meeting. Prusak also inquired about issues resulting from the current storm. Eric Shaffer stated that there were no issues.

Commissioner Stauber requested a resolution recommending that Council change the sprinkling credit dates to May 1<sup>st</sup> until October 1<sup>st</sup>. Commissioner Julsrud thought that it should be changed to June 1<sup>st</sup> to October 1<sup>st</sup>. Staff will prepare both resolutions.

#### **Preview of upcoming business**

The next regular meeting is scheduled for Tuesday, November 19, 2013, at 5:15 p.m. in City Council Chambers. Staff will bring resolutions regarding sprinkling credits, automatic decreases of sewer rates related to WLSSD charges, and amendment of the bylaws regarding approval of the annual budget. Staff will also provide an update on capital projects.

**Adjournment:** The meeting was adjourned at 6:56 p.m.

**RESOLUTION NO. 13PUC-012**

RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 43-09 OF THE CITY CODE TO MAKE THE SPRINKLER CREDIT APPLICABLE FROM MAY 1 THROUGH SEPTEMBER 30<sup>TH</sup>.

RESOLVED by the Duluth Public Utilities Commission (the “Commission”) that the Commission hereby requests that the City Council amend Section 43-9 of the Duluth City Code, 1959, as amended, to make the so-called “sprinkling credit” available from May 1 through September 30<sup>th</sup> as set forth in the attached.

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:**

The purpose of this resolution is to request that the City Council modify Section 43-9 of the Code to make the sprinkling credit available during months when it will most likely reflect actual use for sprinkling lawns and gardens.

PUBLIC WORKS AND UTILITIES COMMITTEE

13-0SprinklerMay-O

ORDINANCE CHANGING MONTHS FOR SPRINKLING CREDIT TO MAY THROUGH SEPTEMBER, AMENDING SECTION 43-9 OF THE DULUTH CITY CODE, 1959, AS AMENDED.

BY COUNCILOR STAUBER:

The city of Duluth does ordain:

Section 1. That Section 43-9 of the Duluth City code is hereby amended to read as follows:

Sec. 43-9. Allowance for outdoor use--conditions.

During the months of May ~~April~~ through September ~~August~~, the amount of wastewater determined to be discharged by a user shall be reduced by the amount of water determined to be used during such months in such manner that it does not enter the sanitary sewer system; provided, that such reduction shall not exceed the difference between the actual water consumption during each such month and the average of water consumption as determined for the immediately preceding months of October through April ~~March~~. The director of public works and utilities ~~water and gas~~ of the city is hereby authorized to promulgate regulations not inconsistent with the provisions of this Section, which regulations shall be published in the official newspaper of the city ten days prior to going into effect and shall be available for examination and copying at the office of public works and utilities department ~~water and gas department's main office~~ during normal business hours.

Section 2. This ordinance shall take effect 30 days from and after its passage and publication.

Approved as to form:

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Attorney

CCREQ/ATTY GBJ:cjk 4/4/2013

**STATEMENT OF PURPOSE:** The purpose of this ordinance is to change the months during which the so-called “sprinkling credit” is available to the city’s sewer customers to more closely reflect when lawn and garden watering is more likely to be actually occurring.

**RESOLUTION NO. 13PUC-013**

RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 43-09 OF THE CITY CODE TO MAKE THE SPRINKLER CREDIT APPLICABLE FROM JUNE 1 THROUGH SEPTEMBER 30<sup>TH</sup>.

RESOLVED by the Duluth Public Utilities Commission (the “Commission”) that the Commission hereby requests that the City Council amend Section 43-9 of the Duluth City Code, 1959, as amended, to make the so-called “sprinkling credit” available from June 1 through September 30<sup>th</sup> as set forth in the attached.

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council: \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:**

The purpose of this resolution is to request that the City Council modify Section 43-9 of the Code to make the sprinkling credit available during months when it will most likely reflect actual use for sprinkling lawns and gardens.

PUBLIC WORKS AND UTILITIES COMMITTEE

13-0SprinklerJune-O

ORDINANCE CHANGING MONTHS FOR SPRINKLING CREDIT TO JUNE THROUGH SEPTEMBER, AMENDING SECTION 43-9 OF THE DULUTH CITY CODE, 1959, AS AMENDED.

BY COUNCILOR JULSRUD:

The city of Duluth does ordain:

Section 1. That Section 43-9 of the Duluth City code is hereby amended to read as follows:

Sec. 43-9. Allowance for outdoor use--conditions.

During the months of ~~June April~~ through ~~September August~~, the amount of wastewater determined to be discharged by a user shall be reduced by the amount of water determined to be used during such months in such manner that it does not enter the sanitary sewer system; provided, that such reduction shall not exceed the difference between the actual water consumption during each such month and the average of water consumption as determined for the immediately preceding months of October through May ~~March~~. The director of public works and utilities ~~water and gas~~ of the city is hereby authorized to promulgate regulations not inconsistent with the provisions of this Section, which regulations shall be published in the official newspaper of the city ten days prior to going into effect and shall be available for examination and copying at the office of public works and utilities department ~~water and gas department's main office~~ during normal business hours.

Section 2. This ordinance shall take effect 30 days from and after its passage and publication.

Approved as to form:

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Attorney

**STATEMENT OF PURPOSE:** The purpose of this ordinance is to change the months during which the so-called “sprinkling credit” is available to the city’s sewer customers to more closely reflect when lawn and garden watering is more likely to be actually occurring.

## RESOLUTION NO. 13PUC-014

RESOLUTION AMENDING 11PUC-WLSSD AUTOMATICALLY INCREASING OR DECREASING SANITARY SEWER RATES TO REFLECT SEWER CHARGES IMPOSED BY WLSSD FOR COST OF TREATING CITY'S SANITARY SEWER DISCHARGES TO THE WLSSD SYSTEM.

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that Resolution 11PUC-WLSSD is hereby amended to read as follows:

1. That portion of the City's rates charged to users of the City's sanitary sewer system which reflects the Western Lake Superior Sanitary District's (the "District") charges to the City for all costs associated with accepting and processing the sewage collected by the City and sent to the District for treatment (the "District Charges") for the year 2013 and for each succeeding year shall be increased or decreased by an amount equal to the "net rates", as defined below, charged to such users for the prior year times the percentage increase or decrease in the rates to be charged to the City by the District for each such succeeding year over those charged to the City for the prior year as set forth in the District's notice of rates to be charged to the City for said succeeding year.
2. That annually, during the month of February, after having received a reconciled billing from the District setting forth the actual amount of the District Charges for the prior year and after the City receives any credit for overpayment and makes additional payment for underpayment of said District Charges for said year, the City shall increase or decrease its rates if necessary to reflect the actual cost of providing sanitary sewer services to its users for said year, which rates shall be the "net rates" referenced in Paragraph 2 above.
3. The rates determined as provided for above shall take effect as of the first water meter reading occurring after March 1 of the year to which they apply.

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council: \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:**

The purpose of this resolution is to modify the automatic sanitary sewer rate adjustment provisions adopted by the PUC pursuant to resolution No. 11PUC-WLSSD to adjust for both increases and decreases occasioned by WLSSD's charge modification system.

**RESOLUTION NO. 13PUC-015**

**RESOLUTION AMENDING BYLAWS TO PROVIDE FOR PW&U  
BUDGET REVIEW PRIOR TO OCTOBER 1.**

RESOLVED by the Duluth Public Utilities Commission (the “Commission”) that Section 6 of Article VI of the Commission Bylaws is hereby amended to read as follows:

Section 6: Prior to October 1 ~~July 31~~ of each year, the Commission shall approve and recommend to the City Council for its approval an annual budget for the water utility, the natural gas utility, the sanitary sewer utility and the storm sewer utility.

Approved by the DPUC:

\_\_\_\_\_ (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:**

The purpose of this resolution is to modify the date by which the Commission is required to approve the budgets for the water, gas, sanitary sewer and storm sewer utilities to a date when the Department can reasonably expect to have the necessary information available.