

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
March 18, 2014

Members Present: Councilor Sharla Gardner, Councilor Jennifer Julsrud, Rob Prusak, Jim Ramnes, Linda Sellner

Members Absent: Councilor Zack Filipovich, Jason Thorsell

Staff Present: Jodi Amundson, Bob Asleson, Jim Benning, Leanna Gilbert, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:25 p.m. by President Prusak.

Public hearing on natural gas two-tier rate

The Commission held a public hearing on a natural gas two-tier rate. No one from the public was present to speak. After a brief summary of the rate and its purpose, the hearing was closed and the Commission moved on to the regular meeting.

Approval of previous meeting minutes

Old business:

14PUC-001 - RESOLUTION OF THE DULUTH PUBLIC UTILITIES COMMISSION ESTABLISHING SECOND RATE TIER OF \$0.11 PER ONE HUNDRED CUBIC FEET APPLICABLE TO NATURAL GAS SERVICES OUTSIDE THE NORTHERN EXPANSION AREA AND THE FOND DU LAC AREA.

Vice President Ramnes motioned to approve resolution 14PUC-001, and the motion was seconded. Commissioner Sellner inquired about the wording of the resolution and then suggested amending the resolution to add "and within the city of Duluth". Bob Asleson suggested adding that language to the paragraph of the second resolved after "as such areas are designated in City Council Resolution Nos. 11-0325 and 11-0326". Commissioner Sellner motioned to amend the resolution to add "and within the city limits" to the resolution title. Bob Asleson explained that the title was not actually part of the resolution. To be effective it would have to be in the body of the resolution, hence his previous suggested location. Commissioner Gardner agreed to second the motion if it read "and within the Duluth city limits" and if it was placed in the resolution where Bob Asleson originally suggested. After further discussion, the majority voted in favor of the amendment. The Commission then voted unanimously to approve resolution 14PUC-001 as amended.

Sprinkling credit analysis

Commissioners reviewed the presentation provided by Jodi Amundson. After some discussion, most commissioners agreed that the adjustment of 1 CCF should be removed. Some also suggested moving toward eliminating the sprinkling credit altogether. Staff agreed to draft a resolution recommending that City Council amend the sprinkling credit to eliminate the adjustment for the first CCF of usage over the winter average.

Updates from staff

Eric Shaffer reported that the West Duluth Reservoir is under construction. We are still emptying the tank. Once the tank is empty, it will be inspected. Demolition of the existing roof will begin next week. Hanco got the bid for both the natural gas blanket project and the copper riser replacement project. The

water main project will be bid a few more weeks. We also have a lift station project currently out for bid.

Jim Benning stated that frozen water services have been a huge problem for the City. We have had over 300 this year. There were 14 homes without water this morning. The problem will continue for a couple of weeks. This will be a burden on the water fund, with a potential of about \$100,000 in costs. We have also had more water main breaks than normal. Commissioner Julsrud mentioned that she has gotten a lot of compliments from residents about the staff that have worked on their frozen water lines.

Upcoming Council actions

Commissioner Gardner stated that Councilor Sipress may be replacing her on this commission. The replacement resolution is on the upcoming agenda.

Jim Benning mentioned resolutions regarding the reappointment of Jason Thorsell to this commission, the 10th Ave E project, gas modeling software, sanitary sewer on 43rd Ave W, and the blanket contract.

Commissioner questions or comments

Commissioner Julsrud met with the Governor's Chief of Staff and their policy staff and discussed bonding priorities. It sounds like the Governor has placed water bonding on his list of priorities. Commissioner Julsrud also discussed water bonding with Marianne Bohren, who asked if there was a water plan yet. We should have a press conference after the water plan is reviewed and updated this summer to let the public know about it.

Commissioner Julsrud suggested that commissioners contact Councilor Sipress, who will likely replace Commissioner Gardner. She also suggested we have a meeting at one of the utility facilities to review basic information.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 15, 2014, at 5:15 p.m. in City Council Chambers. The Commission will consider a resolution of recommendation regarding the sprinkling credit.

Adjournment: The meeting was adjourned at 6:23 p.m.