

DULUTH PUBLIC UTILITIES COMMISSION

Meeting Minutes

January 12, 2011

Members Present: Councilor Patrick Boyle, John Bruggeman, Councilor Jay Fosle, Councilor Daniel Hartman, Patrick Huston, Jennifer Vossen Julsrud, Linda Ross Sellner

Staff Present: Bob Asleson, Jim Benning, Todd Carlson, Leanna Gilbert, Tom Johnson, Chris Kleist, Gary Minck, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:29 p.m. by President Julsrud.

Approval of previous meeting minutes

Old business:

Mission statement

After some discussion, commissioners approved the mission statement as it had been agreed upon at the December meeting: "It is the mission of the Duluth Public Utilities Commission to ensure safe, reliable, efficient utilities services at reasonable rates."

Gas utility budget

Staff provided the guidelines for use of money collected from the PILOT and a history of payments made from 1968 through 2010.

New business:

Updates from staff

Jim Benning received a notice from the City Clerk's office regarding the upcoming expiration of two commissioners' terms. Commissioners Boyle and Bruggeman said they were willing to accept a reappointment from the City Council.

Staff found out that it would be quite easy to show the WLSSD charges on the sewer bill. Commissioners were in favor of proceeding. Jim Benning will have a sample prepared. This would show residents what part of the bill is from WLSSD and also allow for a future pass-through.

The MIS division is in the process of creating the DPUC website. A staff member is working on a commission logo. Personal e-mails could be included on the website if the commissioners want.

A contact list of commissioners and staff was provided for internal use. Any changes should be given to Leanna Gilbert.

Staff provided a municipal rate comparison from AE2S. It was noted that not all municipalities participate in these surveys, and cities that do participate may operate differently.

City Council passed their legislative priorities for 2011. Their top priority is securing PFA bonding for water and wastewater infrastructure.

Eric Shaffer summarized funding for the utilities: we can pay with cash, issue bonds, or secure PFA loans at reduced rates for water and wastewater if we are eligible. Commissioners discussed other ways of getting funding.

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Upcoming Council actions

Councilor Hartman is now the committee chair for Public Works and Utilities. The street lighting utility fee will go before Council again in two weeks, but this commission does not have any authority over that utility. Ordinance 10-064-O passed, giving appeals authority to this commission.

WLSSD capacity allocation

Staff and President Julsrud attended an informational meeting at WLSSD regarding the proposed capacity allocation fee. Staff met with WLSSD a second time. After some discussion, Jim Benning suggested they suspend the fine for this 5-year period (through the end of 2015). Marianne Bohren, Executive Director of WLSSD, said they would need to bring it to their planning committee. The committee agreed to suspend the fine.

Stormwater utility budget and infrastructure

Chris Kleist and Todd Carlson presented an overview of the stormwater utility and answered questions from commissioners. Gary Minck talked about the condition of stormwater infrastructure. Staff provided informational documents including the stormwater utility portion of the 2011 City budget book, the cash projection for 2010 to 2012, the capital projects budget for 2011 to 2015, transfers to the general fund and retained investment earnings, and the stormwater utility rate history. Commissioners discussed the use of CIT funds and the reasons behind the stormwater utility rate increases in 2006 and 2008.

Agenda for next meeting

The next meeting will be in City Hall Room 106A on Wednesday, February 9, 2011, at 5:15 p.m. The commission will discuss old business items and then AE2S will present the findings of their water cost of service study. Jim Benning reminded commissioners that the City is required to move to an increasing block rate by 2012. There was some discussion as to what the commission would focus on in March. They could discuss goals and plans. Some thought it might be helpful to get a long-term comprehensive plan from staff before discussing funding and bonding.

Adjournment: The meeting was adjourned at 7:29 p.m.

A recording of this meeting is available upon request.