

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
February 21, 2012

Members Present: Councilor Patrick Boyle, Councilor Jay Fosle, Patrick Huston, Councilor Jennifer Julsrud, Robert Prusak, Linda Sellner

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Glenn Strid, Clint Thursby

Members Absent: John Bruggeman

Call to Order: The meeting was called to order at 5:19 p.m. by Vice President Huston.

Approval of previous meeting minutes

Old business:

Discussion of water comprehensive plan

Vice President Huston asked if the plan would change at all as a result of the cost of service study. Jim Benning explained that the cost of service study would be a method of paying for the comprehensive plan.

New business:

Election of officers

Commissioner Julsrud nominated Pat Huston for President. The nomination was approved unanimously.

Commissioner Boyle nominated Linda Sellner for Vice President. The nomination was approved unanimously.

12PUC-001 - RESOLUTION REQUESTING CITY COUNCIL AMEND SECTION 2-184(a) TO EXCLUDE PARTIAL TERMS FROM TERM LIMITS.

The resolution was moved by Commissioner Boyle and seconded. Commissioner Fosle asked for clarification of the changes proposed by the resolution. Bob Asleson explained the purpose of the resolution and how commission terms work. The resolution was unanimously approved.

Private water lines and non-payment

Jim Benning explained that some private water lines have more than one household on them. One customer pays their bill regularly, while another does not pay for years. The City cannot shut off service to the non-paying customer without also shutting off service to the paying customer. In the past we have had to close out the account and go to small claims court to get the money. It works better if we can shut off the water to get them to pay. Staff is proposing that we get the authority to access our water meters in the customers' homes and shut the water off there. Service would not be restored until payment was made. Multiple services on the same line are no longer allowed by the plumbing code. Commissioner Prusak suggested adding the delinquent bills to property tax statements. Bob Asleson explained that an addition to the property tax bill would only be an estimate of what was owed by an individual. The total value currently owed is about \$20,000. Vice President Sellner asked if customers would receive a final notification before action is taken. Jim Benning said that customers would be notified multiple times as part of the process.

Preliminary water rate structure

Clint Thursby, Financial Analyst for the utilities, found some discrepancies when going through our current billing data. There are multiple misclassifications of customers. Staff needed to take care of these problems before sending information to AE2S, the consultant that is working on the water cost of service study. Also, state legislature is considering repealing the requirement to move to a conservation rate. Commissioners need to decide whether to move ahead with a conservation rate or to continue with a structure similar to what we currently have. Jim Benning will forward information on the possible repeal to commissioners. Staff provided a presentation showing what a conservation rate structure would look like without any dollar amounts. Some commissioners thought we should continue as planned, others thought we should wait to see what the legislature decides. After some discussion, Jim Benning proposed sending both scenarios to AE2S. Commissioner Julsrud motioned and the decision was approved unanimously.

Updates from staff

Jim Benning reported that fourteen people attended a water presentation that he gave at the Kiwanis Club.

There was a natural gas cost of service meeting last week. Staff will give the consultant the financial information necessary for them to come up with a new rate structure for natural gas. By the time we have the water structure figured out, we should be ready to move on to natural gas.

The new water tank will be put into service in May. Letters will go out soon to those who will be affected by this. The pressure will be raised by about 13 psi over time. Those who currently have low pressure will have adequate pressure, but those who currently have adequate pressure may possibly have high pressure. They may need to have a pressure relief valve installed.

Upcoming Council actions

There are no actions of note for the utilities.

Commissioner questions or comments

Commissioner Fosle inquired about the chemicals that are used for water treatment. Jim Benning stated that fluoride is required by state statute. Commissioner Fosle looked up some information on the chemicals and would like the other commissioners to do so as well. Staff will provide information on the chemicals used as requested by President Huston.

Vice President Sellner inquired about operation and maintenance costs and whether this commission has any jurisdiction over these costs. Staff explained that the commission has oversight of the budget and so they do have control over how much money there is to be used, but they do not have control over the specific use of the money. Commissioner Sellner asked about the hiring of another Project Engineer. The position in question would be mainly for gas. With the increased regulations for natural gas, the current Project Engineer is specifically working on regulatory things and is not able to work on any actual projects.

President Huston asked when a resolution would be ready for water. Jim Benning stated that it should be ready for next month.

Vice President Sellner said that she is pleased that staff is looking closely at the accounts and hopes that they will do more to look into processes and efficiencies in the future.

Agenda for next meeting

The next meeting will be on Tuesday, March 20, 2012, at 5:15 p.m. in City Council Chambers. Staff should have a water rate resolution prepared for the commission to consider. The commission may table the resolution until the next meeting if they feel that they need more time to study the impacts in further detail.

Adjournment: The meeting was adjourned at 6:14 p.m.

A recording of this meeting is available upon request.