

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**June 18, 2013**

**Members Present:** Councilor Jennifer Julsrud, Robert Prusak, Jim Ramnes, Linda Sellner, Councilor Jim Stauber; Jason Thorsell arrived at 5:19 p.m.

**Members Absent:** Councilor Sharla Gardner

**Staff Present:** Bob Asleson, Jim Benning, Alisa DeRider, Leanna Gilbert, Howard Jacobson, Tom Johnson, Chris Kleist, Nick Petrangelo, Eric Shaffer

**Call to Order:** The meeting was called to order at 5:16 p.m. by President Sellner.

**Approval of previous meeting minutes**

The final part of the “Upcoming Council actions” section was amended to read: “and pavement management software population of the database.” The minutes were approved as amended.

Commissioner Thorsell arrived at this time.

**New business:**

**MS4 permit update (Chris Kleist)**

Chris Kleist, Program Coordinator, and Tom Johnson, Project Engineer, gave an overview of Duluth’s stormwater program and the Municipal Separate Storm Sewer System (MS4). They spoke about additional requirements due to the new MS4 permit and answered questions from commissioners. Copies of the annual report to the MPCA will be provided as requested by Vice President Prusak. Commissioner Julsrud asked if commissioners could see the 5-year reports of the outfalls inspections. Chris Kleist said that the reports are available in PDF form, but spreadsheets used for tracking are available as well.

**Stormwater utility resolution (President Sellner)**

13PUC-007 - RESOLUTION REQUESTING DULUTH STREET MAINTENANCE OPERATIONS MINIMIZE THROUGH BEST MANAGEMENT PRACTICES, THE APPLICATION OF ROAD SALT FOR DE-ICING PURPOSES TO MINIMIZE IMPACTS ON THE STORMWATER UTILITY.

President Sellner motioned to move 13PUC-007. After some discussion, the majority of commissioners thought they should have more information before voting on this resolution. Kelly Fleissner, Manager of Maintenance Operations for the City, will be invited to the August meeting as requested by Vice President Prusak. President Sellner will provide additional documentation, such as the studies done by the University of Minnesota and St. Louis County. Vice President Prusak motioned to table 13PUC-007. The majority voted in favor of the motion.

**Draft DPUC appeals process (Nick Petrangelo)**

Commissioners and staff discussed the appeals process and the authority of the Commission in regards to appeals as ordained by Section 48 of the Duluth City Code. Staff provided a draft appeals process and form. Commissioner Julsrud requested that the definition of “applicant” be added to the policy. Commissioner Stauber suggested that the term “Bill” be removed from both the policy and the form, as there could be appeals for issues other than bills. Staff will make the requested amendments and bring a revised draft to the next meeting.

### **Natural gas fixed rate increase resolution**

13PUC-005 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER SEPTEMBER 30, 2013; AMENDING FIXED MONTHLY CHARGES; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF OCTOBER 1, 2013.

Commissioner Julsrud requested the Commission be allowed to discuss both the fixed rate only and the fixed and variable rate resolutions at the same time. Commissioner Julsrud then asked staff to talk about the fixed and variable rate increase resolution first.

13PUC-006 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER SEPTEMBER 30, 2013; AMENDING FIXED MONTHLY CHARGES AND VOLUMETRIC CHARGES; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF OCTOBER 1, 2013.

Jim Benning explained that the rate increases for the residential small customer per resolution 13PUC-006 would be \$0.014 per CCF for the variable rate and \$1.13 for the fixed monthly charge, resulting in an increase of \$2.25 per month for the average residential customer. Increases for all customer classes would be in the 3% range overall. The additional revenue provided by this resolution would be approximately \$1.1M annually. The copper riser project (\$750,000) would need to be delayed and the gas fund would not get the \$5M in reserves as originally proposed in the approved capital improvement plan. This also would not provide enough funds for additional connections of new services. After some discussion, Commissioner Ramnes motioned to request that staff set up public meetings to proceed with resolution 13PUC-006. Commissioner Stauber stated that the present capital needs and various options for proceeding should be presented to the public for input instead of presenting only one option. The majority voted in favor of the motion.

### **Public meeting schedule**

Jim Benning recommended the Commission hold two public meetings in July: one in the morning at City Hall and one in the evening at Central Hillside Community Center. Commissioner Julsrud requested that the meeting in City Hall be held in Room 303 instead of Council Chambers, since the presentation would be of an educational nature. Staff will contact commissioners to determine their availability. Staff will also prepare a presentation for the meetings and send it out to commissioners in advance for their review.

### **Updates from staff**

Eric Shaffer stated that the gas main project on 1<sup>st</sup> Street is moving ahead, although they are encountering a lot of rock. The tank project at the West Duluth Reservoir is still on schedule. The contractor for the water main project is setting up traffic control and starting to strip pavement this week. They are starting at Superior Street and 40<sup>th</sup> Avenue West. The cured-in-place pipe project is wrapping up and should be done in the next couple weeks.

### **Upcoming Council actions**

Jim Benning listed the upcoming actions that pertain to the Commission, including stream restoration for Kingsbury Creek by the DNR, an annual contract for replacement of old water meters, and a resolution regarding the requirements for interior plumbing work.

### **Commissioner questions or comments**

Commissioner Stauber commented that the 2012 Public Works & Utilities Annual Report that councilors had just received was great. The rest of the commissioners received the report also. He said that it is the best way to present those numbers.

**Preview of upcoming business**

The next regular meeting is scheduled for Tuesday, August 20, 2013, at 5:15 p.m. in City Council Chambers. Staff will coordinate with commissioners to schedule two public meetings in July. Kelly Fleissner, Manager of Maintenance Operations for the City, will be invited to the August meeting to discuss current salt usage practices. President Sellner will bring information from the State of Minnesota study regarding salt usage. Staff will bring a revised draft of the appeals process for the commission to consider.

**Adjournment:** The meeting was adjourned at 6:51 p.m.

A recording of this meeting is available upon request.