

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
August 21, 2012

Members Present: Councilor Patrick Boyle, Robert Prusak, Linda Sellner, Councilor Jim Stauber

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Howard Jacobson, Carrie Lustig, Eric Shaffer, Glenn Strid, Pete Upton

Members Absent: Patrick Huston, Councilor Jennifer Julsrud

Call to Order: The meeting was called to order at 5:14 p.m. by Vice President Sellner.

Note: This was not an official meeting as there was no quorum.

New business:

Effects of flood event on utility budget

It will be a while before we will know the full effects of the flood event on the utilities budgets. The biggest impact will be on the stormwater utility. There should be minimal impact to the water and gas utilities. There was one water main break due to the flood. There were a couple of exposed areas, breaks, and debris in the sanitary sewer system as well as overflows.

Temporary utility fee abatement resolution

Resolution 12PUC-009 would temporarily abate water, gas, and sewer fixed charges for uninhabitable homes. Only a handful of properties would qualify. Commissioner Stauber asked if the commission could recommend that council vote on this, since this commission won't meet again until September. Bob Asleson said that the council cannot set utility rates due to ordinance and suggested making the abatement retroactive instead. He also suggested holding a special meeting if a quorum could be obtained. Those present agreed to arrange for a special meeting on Monday, August 27th at 4:45 p.m.

Natural gas system overview – Pete Upton

Pete Upton explained the two pipelines used to transport gas into the City and how the costs have changed in the past few years. He also explained the purchased gas adjustment (pga), which is like a pass-through for gas costs. Jim Benning mentioned that the City has hired SAIC to look at the cost to operate and maintain the gas system. They will present their findings at the September meeting. Commissioner Prusak inquired about gas purchasing. Pete explained about contracts for the heating season, use of storage gas, and buying daily gas. Commissioner Boyle asked if there was a plan for future expansion of the gas system. Eric Shaffer said that, due to the flood event, City gas has been offered to all residents in the Fond du Lac neighborhood. The City could also expand into Rice Lake Township.

Updates from staff

Georgia Pacific will be closing at the end of August. They are a very large user for natural gas and water. Everyone else on the gas system will have to pay more, since Georgia Pacific will no longer be using the pipeline space allotted to them. Kemps/Franklin Foods will be coming back onto the gas system soon.

Upcoming Council actions

Interviews for the vacant DPUC position will be on Monday, August 27th.

Commissioner questions or comments

Commissioner Stauber asked if bad contractors are removed from the list of contractors that is sent to residents who need their lateral lines replaced. The City does not recommend contractors, so any contractor can be included on the list. Residents are encouraged to get at least three estimates. Commissioner Stauber recommended cautioning residents to choose a contractor carefully.

Vice President Sellner asked about the protocol for tree removal. Jim Benning explained that tree removal is done by Maintenance Operations, not Public Works & Utilities. Vice President Sellner was particularly concerned about the tree removal along Chester Creek and how it would affect storm water and erosion. Eric Shaffer mentioned that the DNR has been working closely with the City on storm water issues since the flood event. Commissioner Boyle said that he has worked with Maintenance Operations in the past concerning boulevard trees and is sure that the tree removal was an oversight due to the flood event and won't happen again.

Preview of upcoming business

SAIC will be presenting the natural gas cost of service study results at the September meeting. There will be a special meeting on August 27th to vote on resolution 12PUC-009 if a quorum can be obtained.

Adjournment: The meeting was adjourned at 6:22 p.m.

A recording of this meeting is available upon request.