

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
October 20, 2015

Members Present: Councilor Zack Filipovich, Councilor Jennifer Julsrud, Rob Prusak, Jim Ramnes, Linda Sellner, Jason Thorsell

Members Absent: Councilor Joel Sipress

Staff Present: Bob Asleson, Jim Benning, Liz Bieter, Todd Carlson, Leanna Gilbert, Howard Jacobson, Chris Kleist, Chris Madden, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:15 p.m. by President Prusak.

Approval of previous meeting minutes

The agenda was amended to move resolution 15PUC-007 to the top, since Commissioner Filipovich had to leave at a certain time.

15PUC-007 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.

Jim Benning stated that the fees remain unchanged from 2015 apart from the removal of fees in lieu of assessment for water and sewer which were given back to the City Council. Commissioner Filipovich motioned to approve 15PUC-007, and the resolution was approved unanimously.

Old business:

Use of County tax-forfeit parcels for stormwater pollution remediation - discussion only

Commissioner Sellner mentioned various organizations and documents related to stormwater protection. She then proposed that the most efficient way to gain utilization of the greatest amount of green infrastructure is through tax-forfeit properties. An Application for State Deed for Tax-Forfeited Land was provided. Eric Shaffer stated that the County sends lists of properties for sale to all City departments for review. Our department reviews these lists, and if we feel that a parcel is critical to stormwater treatment, we request that the County does not sell it and it is typically taken off of the land sale. President Prusak requested a report on the last five properties reviewed and flagged. Eric Shaffer will follow up on this. Commissioner Sellner expressed a desire to hear from someone in Planning, as she believes some properties are being sold without City Council being aware of them. Commissioners Julsrud and Filipovich mentioned a motion recently made by the City Council to request protection of a property on Park Point. Commissioner Sellner may contact Tom Johnson or someone in Planning and give another report to the Commission.

New business:

15PUC-008 - RESOLUTION ESTABLISHING USER CHARGES FOR THE CITY'S STORMWATER UTILITY EFFECTIVE AS OF JANUARY 1, 2016; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES. - discussion only

Eric Shaffer gave a presentation about the stormwater system. Commissioner Filipovich left during this time. Eric Shaffer stated that he would like to see an additional \$1.5M in stormwater funds and recommended starting with a rate increase that would provide \$500,000 next year. After commissioners and staff discussed various aspects of the stormwater system and the costs involved, most agreed that

the three-phase approach recommended by staff would be best. Commissioner Ramnes asked what percentage of revenue is generated by commercial customers versus residential customers. Staff will look up this information.

15PUC-009 - RESOLUTION REDUCING CLEAN WATER SURCHARGE EFFECTIVE AS OF JANUARY 1, 2016; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES. - discussion only

Staff explained the reason for the clean water surcharge and recommended reducing the surcharge, since there should be adequate funds for bond payments and other expenses until the surcharge sunsets in 2028.

Establish public hearing dates

Commissioners and staff decided that hearings for both rate adjustments will be held at the November 17th regular meeting. Eric Shaffer will shorten the stormwater presentation that was given today and have it available for the hearing. Staff will give the required public notice.

Utility appeal procedures - general and cold weather

Jim Benning stated that there are two proposals for the Commission: an amendment to the existing appeal procedure and a new cold weather rule appeal procedure. He explained that state law requires a hearing panel for cold weather rule appeals and that the Commission would be the most appropriate body. The main issue is that the Commission only meets monthly, which would not be timely for these appeals. Staff is proposing a subcommittee of the Commission or an amendment to the quorum requirements. Liz Bieter explained what customers would be appealing and the proposed procedure. Staff will prepare an amendment to the ordinance that created the DPUC to present to City Council.

Updates from staff

Jim Benning stated that the WLSSD letter included in the meeting packet is for informational purposes. Eric Shaffer reported that all of the main is in for the 4th Street water main project except for the cured-in-place pipe. The pipe is in for the project on 1st Avenue West; there is just restoration work to do and a little piece on Michigan Street. The blanket gas project will be wrapping up in the next two weeks. Everything should be wrapped up by the first week in November.

Upcoming Council actions

Jim Benning mentioned that commissioners are welcome to attend the budget presentation on November 9th at 5:15 p.m.

Commissioner questions or comments

Commissioner Julsrud reported that Duluth is in third place according to the 1st quarter results for the Georgetown prize.

President Prusak thanked commissioners for letting him amend the agenda to allow Commissioner Filipovich to be present to vote on resolution 15PUC-007.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, November 17, 2015, at 5:15 p.m. in City Council Chambers. The Commission will hold public hearings regarding rate adjustments for the stormwater and clean water utilities and then vote on the rate resolutions.

Adjournment: The meeting was adjourned at 7:10 p.m.