

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**April 18, 2017**

**Members Present:** Councilor Noah Hobbs, Jen Julsrud, Chris McIntosh, Councilor Joel Sipress, Jason Thorsell

**Members Absent:** Rob Prusak, Councilor Em Westerlund

**Staff Present:** Bob Asleson, Leanna Gilbert, Howard Jacobson, Glenn Strid

**Call to Order:** The meeting was called to order at 5:25 p.m. by Vice President Julsrud.

**Approval of previous meeting minutes**

**Old business:**

**Water utility discussion**

Commissioners and staff discussed the two updated scenarios provided by staff. The general consensus was that it would be best to keep any increases under 5%, but there was some concern about how inflation would affect the funds available for capital projects. Commissioners suggested adding another year or pushing the percentage closer to 5%. Commissioners requested an update of how Duluth's rates compare to other reasonably comparable municipalities and discussed other data that may be useful, such as population density per mile of pipe and an illustration of the age of the infrastructure and deferred projects over the years. It was agreed that public outreach could begin in June, with more discussion in July, more outreach in September, and then a vote in October. The commission will continue to discuss the water utility next month and make plans for public outreach.

**New business:**

**Updated utility debt service payments**

Glenn Strid explained that the utility debt service payments were updated with actual payments as determined by the City Auditor's office, and these actual payments were included in the scenarios presented. Our goal is to get out of debt, so we are not planning to bond for any projects in the near future. There was some discussion about the clean water fund and the possibility of either decreasing the fee or moving the sunset date up.

**Updated utility cash projections**

Glenn Strid explained the utility cash projections provided and suggested that commissioners review them and come back with questions next month. Another handout was provided that shows quarterly natural gas costs from 2014 through 2016. Vice President Julsrud suggested that the Commission discuss gas purchasing in further detail in the future.

**Updates from staff**

Howard Jacobson reported that construction season has started. Our blanket contractor for natural gas has already done two weeks of work. We will have several big water projects. The 4<sup>th</sup> Street and Michigan Street projects will continue this year. There will be many natural gas projects that will increase redundancies throughout the system and increase pressure and capacity further east. There will also be ongoing maintenance in the summer months.

**Upcoming Council actions**

There is not much on the upcoming agenda that affects Public Works & Utilities.

**Commissioner questions or comments**

Commissioner Thorsell asked about the 4<sup>th</sup> Street project. Howard Jacobson said that this should be the final year for our part of the project. Commissioner Sipress said that construction should go from 10<sup>th</sup> Avenue East to Wallace Street this year. There will be some work in the intersections, so the avenues in that area may be closed. Vice President Julsrud mentioned that this County project allowed us to improve gas capacity and pressure to the Woodland area.

**Preview of upcoming business**

The next meeting is scheduled for Tuesday, May 16, 2017, at 5:15 p.m. in City Council Chambers. The commission will continue to discuss the water utility and make plans for public outreach.

**Adjournment:** The meeting was adjourned at 6:49 p.m.