



# City of Duluth

411 West First Street  
Duluth, Minnesota 55802

## Minutes - Final

### Duluth Public Utilities Commission.

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Tuesday, August 18, 2020

5:15 PM

Council Chambers, City Hall, 411 West First Street

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*NOTICE OF PUBLIC HEARING: The Duluth Public Utilities Commission will hold a public hearing by electronic means regarding proposed stormwater rate increases to fund the capital costs of improvements to the City's storm sewer system on Tuesday, August 18, 2020 at 5:15 p.m. The purpose of this public hearing will be to discuss the current state of the stormwater utility, to explain the proposed changes to the stormwater rates, and to receive comments from the public regarding the proposed changes.*

*THE HEARING: The public hearing will be held at the commencement of the regular Commission meeting, which will be held by "other electronic means" pursuant to Minnesota Statutes Section 13D.021 in response to the COVID-19 emergency. Some members of the Board will be participating through video conference.*

*PUBLIC PARTICIPATION/PUBLIC COMMENT: Due to the COVID-19 emergency and the limitation on the use of City facilities, the hearing and regular meeting will be in a virtual, electronic format and not in a personal, public format, and public comment will not be taken in person. However, members of the public can monitor the hearing and meeting and provide public comment on the proposed rate increase and on other agenda items through WebEx Events. Go to <https://duluthmn.gov/live-meeting> to access the meeting. The presentation that will be given at the public hearing pertaining to the stormwater rate increase is posted on the Commission's webpage, <https://duluthmn.gov/boards-commissions/duluth-public-utilities-commission/>, for public viewing. The public is also encouraged to submit written comment to [jbenning@duluthmn.gov](mailto:jbenning@duluthmn.gov) prior to the meeting. Please include "August 2020 DPUC Agenda" in the subject line, and include your name and address and the agenda item you are speaking to. The Commission's agenda can be found online at <https://duluthmn.gov/boards-commissions/duluth-public-utilities-commission/>. Please note that all public comment is considered Public Data.*

### CALL TO ORDER

President Ryan called the meeting to order at 5:15 p.m.

### ROLL CALL

**Members Present:** Councilor Gary Anderson, Chris McIntosh, Councilor Derek Medved, Carrie Ryan, Councilor Joel Sipress; Rob Prusak arrived at 5:25 p.m.

**Staff Present:** Bob Asleson, Jim Benning, Leanna Gilbert, Tom Johnson, Chris Ostern, Eric Shaffer, John Upton, Kerry Venier

### STORMWATER RATE INCREASE PUBLIC HEARING

The Commission held a public hearing regarding proposed stormwater rate increases at the commencement of the regular meeting. Tom Johnson, Senior Engineer for the City, gave a presentation on the stormwater utility. President Ryan read an email that had been received from David Ross, President of the Duluth Area Chamber of Commerce, proposing a one-year delay in the rate increases. Councilor Roz Randorf, 901 West First Street, asked about how the rate increase would affect commercial and industrial customers. Councilor

Terese Tomanek asked about rate increases for residential customers, which customers would be affected most by the increases, and how a delay would impact the City budget. The public hearing concluded at 5:47 p.m.

## PUBLIC COMMENT PERIOD

No citizens had comments at this time.

## APPROVAL OF MINUTES

[DPUC022](#) July 21, 2020 DPUC meeting minutes draft

**Indexes:**

**Attachments:** [07212020 DPUC meeting minutes draft](#)

Commissioner Sipress motioned to approve the minutes, and the motion was approved unanimously.

## UNFINISHED BUSINESS

### Stormwater system discussion

Tom Johnson talked about the need for stormwater program documentation as more customers may be interested in credits for Best Management Practices (BMPs). He also mentioned a need for further definition of waterfront properties requirements. There was some discussion about whether the BMP credits resolution should be done at the same time as the stormwater rate resolution and whether implementation of the stormwater rate increases should be delayed. Commissioner Anderson proposed a six-month delay in implementation of the rate increases as a compromise. Commissioners agreed that the rate increase implementation could be delayed six months, but that there was no need to delay a vote on the resolution. There was further discussion of staffing and resources needed to manage the stormwater program.

## NEW BUSINESS

[DPUC027](#) 20PUC-002 - RESOLUTION ESTABLISHING USER CHARGES FOR THE CITY'S STORMWATER UTILITY EFFECTIVE AS OF JANUARY 1, 2021; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES.

**Indexes:**

**Attachments:** [20PUC-002 Stormwater 6-year Rate Increase](#)  
[20PUC-002 Stormwater 6-year Rate Increase amended](#)

President Ryan motioned to move resolution 20PUC-002 substituting an effective date of July 1, 2021 instead of January 1, 2021, and Commissioner Anderson seconded the motion. Commissioner Sipress said that he is in support of the resolution as modified, but we may need to delay this further later depending on the economic situation. Commissioner Prusak clarified that all dates would be changed from January 1 to July 1 for each year. Resolution 20PUC-002 was

approved unanimously as modified.

## 2021 utilities budget discussion

[DPUC023](#) 2021 Proposed Budget Worksheets

Indexes:

Attachments: [2021 PWU Budget to PUC](#)

Kerry Venier gave an overview of budgeted revenues, expenditures, and changes in cash for the utility funds. The stormwater budget will be revised for the delay in implementation of the rate increase. The Commission may need to look into the sanitary sewer rates in the next couple of years.

[DPUC024](#) Utility 5-year Capital Improvement Plans

Indexes:

Attachments: [Water 5-yr CIP](#)

[Gas 5-yr CIP](#)

[Sewer 5-yr CIP](#)

[Storm 5-yr CIP](#)

Eric Shaffer gave an overview of budgeted 2021 capital projects. Commissioner Sipress asked if a regular bond could be refinanced later if PFA money became available for the Middle Booster Station. Eric Shaffer will look into this. Staff will prepare a resolution recommending the 2021 utilities budget to City Council for the Commission to consider at the September meeting. The Public Works and Utilities Department budget presentation to City Council is scheduled for September 28 at 6:00 p.m. Commissioners are welcome to attend.

## 2021 utility fees

[DPUC025](#) DPUC 2021 Proposed Fees

Indexes:

Attachments: [2021 Fees](#)

[2021 Fees amended](#)

Jim Benning reported that staff had originally proposed a new credit card transaction fee to recoup some expenses. Upon further investigation, it was discovered that the savings would not be as much as anticipated. Staff also believes that customers would not be pleased with the additional charges. Staff will look into other ways to save money and recommends removing that line item from the fee schedule.

[DPUC026](#) 20PUC-004 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.

Indexes:

Attachments: [20PUC-004 2021 utility fees](#)

Commissioner Sipress motioned to move resolution 20PUC-004, and President Ryan seconded the motion. Commissioner Sipress motioned to amend the fee schedule to remove the credit card processing fee, and Commissioner Prusak seconded the motion. The Commission unanimously approved resolution 20PUC-004 with the amended utility fee schedule.

### **UPDATES FROM STAFF**

Eric Shaffer reported on utility projects including Second Street water main and sanitary sewer laterals, Superior Street water main, Decker Road water main, gas main, and sanitary sewer, the gas blanket project, and Lift Station 15.

### **COMMISSIONER QUESTIONS OR COMMENTS**

Commissioner Anderson expressed his gratitude to Public Works and Utilities employees for agreeing to take furlough days. President Ryan seconded his thanks.

### **UPCOMING COUNCIL ACTIONS**

Jim Benning mentioned a resolution for construction of a trail at Brighton Beach.

### **PREVIEW OF UPCOMING BUSINESS**

The next regular meeting is scheduled for Tuesday, September 15, 2020 at 5:15 p.m. Staff will prepare a resolution recommending approval of the utilities budget. Staff will work on a draft BMP program and policy with a resolution in the near future.

### **KNOWN ABSENCES FOR FUTURE MEETINGS**

No absences were mentioned at this time.

### **ADJOURNMENT**

The meeting was adjourned at 7:03 p.m.