

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
May 21, 2013

Members Present: Councilor Sharla Gardner, Councilor Jennifer Julsrud, Robert Prusak, Jim Ramnes, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

Staff Present: Jodi Amundson, Bob Asleson, Jim Benning, Alisa DeRider, Leanna Gilbert, Howard Jacobson, Nick Petrangelo, Eric Shaffer, Glenn Strid

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

Tyler Rohlf appeal

After hearing the dispute as explained by the appellant, Tyler Rohlf, and reviewing the information provided by City staff, the commission found that the appellant is not responsible for the charges of \$263.01. Commissioners voted to grant the appeal and reimburse the \$263.01 that had been taken out of the appellant's tax refund.

Approval of previous meeting minutes

Old business:

Fixed rate increase only scenario

Staff provided a spreadsheet showing the revenues that could be realized with various changes to the fixed rates for natural gas. Projections were based on current trends and capital projects. Staff recommended at least \$500,000 in additional revenues, which would be an increase of about \$1.15 for small residential customers or approximately 1.5% increase to the average customer's overall bill. They also recommended reevaluating the rates in January or February. Most commissioners were in favor of increasing the fixed rates, although some did not think it would be enough. Commissioner Ramnes stated that he would like to see how an increase would affect the average customer's bill. Commissioner Julsrud motioned that staff bring forward a resolution for an approximate \$1.15 fixed rate increase to the next meeting. The motion was approved unanimously.

Updates from staff

There have been no sewer overflows from the current rain event. There was water in the tanks at 60th Ave E and 52nd Ave E. There are two tanks on Water Street, one was mostly full and then water started going into the second one. The tank at Canal Park was about 25% full. A lot of the water seemed to be in the center of the city. There was not any water in the WLSSD tanks at Polk Street and Gary.

West Duluth Reservoir is on track to bid this fall. We are erecting the temporary tank. The preconstruction conference was today.

The 1st Street gas project came in substantially under budget. It is under construction and should be done in August.

We had pursued Wastewater Infrastructure Fund (WIF) grants from the state. There may not be any funds available for these grants, so the sanitary sewer pipe lining project upstream of the west interceptor will be cancelled. We will wait for grant money or start doing it in small chunks.

RJS was awarded the water main project. This job is moving ahead. It is for a section about one mile long and will cost \$1.3M without engineering costs. The restoration costs are quite high when utility projects are not combined with street projects. These mains were chosen because they are some of the worst in the city.

Upcoming Council actions

Resolutions related to the utilities for the upcoming Council meeting are: an extension to the terms of a PFA loan by 6 months, a street and utility easement for a property in West Duluth, sanitary sewer improvements on Lawn Street, an easement on Lakeside Court for putting in a new sewer system, a survey of downtown in preparation for the reconstruction of Superior Street (road and utility), Greene Street bridge contract increase that will be reimbursable, and pavement management software population of the database.

Commissioner questions or comments

Vice President Prusak said the City did a great job on the storm event and asked if anyone knew what size the event was. Howard Jacobson reported that we have recorded over 2 inches throughout the city so far.

Commissioner Gardner suggested everyone look at their calendars in terms of public meetings this summer. We need to start working on how the rate increase information will be presented to the public. Commissioner Gardner mentioned that the public meetings would probably be held in August. She would like to schedule these and discuss a press release at the next meeting. Commissioner Julsrud suggested having at least two public meetings: one at noon at City Hall and one in the evening at a community center.

Commissioner Julsrud welcomed Jim Ramnes to the commission. Commissioner Ramnes gave a brief summary of his background and explained his reasons for joining this commission.

Commissioner Gardner congratulated Commissioners Julsrud and Sellner on their reappointments.

President Sellner stated her desire to discuss the stormwater utility and her intention to introduce a resolution regarding usage of road salt.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, June 18, 2013, at 5:15 p.m. in City Council Chambers. Staff will prepare a resolution for a \$1.15 increase as requested by commissioners. Staff will also work on an official appeals process. Chris Kleist will attend the June meeting to give an update on the MS4 permit. President Sellner will draft a road salt usage resolution. Commissioners should be prepared to discuss dates for public meetings.

Adjournment: The meeting was adjourned at 7:39 p.m.

A recording of this meeting is available upon request.