

DULUTH PUBLIC UTILITIES COMMISSION
Tuesday, May 21, 2013
City Council Chambers
AGENDA

1. Roll call
2. Tyler Rohlf appeal
3. Approval of previous meeting minutes
4. Old business
 - 4.1 Fixed rate increase only scenario
5. Updates from staff
6. Upcoming Council actions
7. Commissioner questions or comments
8. Preview of upcoming business

DULUTH PUBLIC UTILITIES COMMISSION
Special Meeting Minutes
March 27, 2013

Members Present: Councilor Sharla Gardner, Patrick Huston, Councilor Jennifer Julsrud, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

Members Absent: Robert Prusak

Staff Present: Bob Asleson, Alisa DeRider, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid, Pete Upton

Call to Order: The meeting was called to order at 5:18 p.m. by President Sellner.

Approval of previous meeting minutes

New business:

Gas base rate resolution

Eric Shaffer explained that resolution 13PUC-003 that was passed at the last meeting was intended to be revenue neutral. Upon further research by staff, it was found that it would result in additional revenues. Staff then revised their calculations and created a new resolution that would truly be revenue neutral. Staff recommends that the commission reconsider resolution 13PUC-003, vote it down, and then consider 13PUC-004 instead.

13PUC-003 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER MARCH 31, 2013; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF APRIL 1, 2013. Commissioner Julsrud motioned to reconsider 13PUC-003. The motion was approved unanimously. President Sellner wanted to discuss resolution 13PUC-004 prior to voting on resolution 13PUC-003.

13PUC-004 - RESOLUTION ESTABLISHING NATURAL GAS RATES EFFECTIVE WITH METER READINGS AFTER APRIL 30, 2013; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF MAY 1, 2013. Commissioner Julsrud motioned to consider resolution 13PUC-004. President Sellner presented her concerns about how the PGA was calculated and the PILOT. Staff explained how the PGA, the PILOT, and the base rate are calculated. The PILOT is what caused the issue with the resolution that was approved at the last meeting. The new calculation is an easier way to follow the 7% PILOT. The PGA paragraph in the new resolution was revised to clarify how the PGA was calculated.

After further discussion, Commissioner Julsrud called the question on resolution 13PUC-003. The call on the question was approved unanimously. Resolution 13PUC-003 failed unanimously.

Resolution 13PUC-004 passed unanimously.

Updates from staff

Eric Shaffer said that the gas main replacement project on 1st Street was bid out. Hanco got the project with a bid of \$480,000, and the work will start soon. The gas blanket contract is out for bid. The water main job is about to go out to bid, and there is a public meeting tonight for that. The gas riser project will be advertised soon. The surge tank that will allow the West Duluth Booster Station to continue to

operate while the roof is replaced on the West Duluth Reservoir has been advertised and will be out for bid soon. The roof replacement project should be bid out in the fall. The cured in place pipe project for sanitary sewer is well under way.

Upcoming Council actions

A new commissioner is needed to replace Commissioner Huston, since this is his last meeting.

Commissioner questions or comments

President Sellner apologized for her inefficiencies with parliamentary procedure and stated that she would work on it.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 16, 2013, at 5:15 p.m. in City Council Chambers.

Adjournment: The meeting was adjourned at 6:12 p.m.

A recording of this meeting is available upon request.

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
April 16, 2013

Members Present: Councilor Sharla Gardner, Robert Prusak, Linda Sellner, Councilor Jim Stauber

Members Absent: Councilor Jennifer Julsrud, Jason Thorsell

Staff Present: Bob Asleson, Jim Benning, Alisa DeRider, Leanna Gilbert, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:24 p.m. by President Sellner.

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

New business:

Fixed rate increase only scenario

Commissioner Julsrud had requested that staff calculate the increase if only applied to the fixed rates. Staff does not have this information ready yet.

Commissioner City e-mail accounts

The City recently switched to Outlook, so commissioners will need to go to a different website to check their City e-mail accounts. Leanna Gilbert will send out an e-mail with the new website address.

2013 DPUC work plan

The commission has already spent a lot of time discussing the water utility. They have also spent a little time on the sanitary sewer utility and are currently discussing the natural gas utility. The next topic could be the stormwater utility, since there are some new regulations that the City will need to comply with.

Updates from staff

See upcoming Council actions.

Upcoming Council actions

The West Duluth Reservoir surge tank is being awarded to Veit at approximately \$500K. This will be paid for with cash. It should be built this summer. The reservoir roof replacement will be bid this fall for construction next summer.

Phase IV of the Lakewalk has been awarded to Northland. They also have Phase V, which is the tunnel. That resolution should be on the next agenda.

Cascade Park flood related work was awarded to Hovland for approximately \$75K.

Hanco Utilities was awarded the gas blanket contract for about \$650K. That includes new services and miscellaneous repairs.

There is a resolution for a swap of sanitary sewer lines with WLSSD.

There is a street lighting utility resolution for the purchase of LED lights for ten locations throughout the city. This utility does not currently fall under the authority of this commission. That would be a Council decision by ordinance. The street lighting utility is an enterprise fund similar to the rest of the utilities.

There is a resolution to award wireless communication contract negotiation to Bench Strength. We contract with wireless companies and allow them to put antennas on our water towers, with the revenues going to the water utility. This consulting firm would negotiate with the wireless companies for a cut of any additional revenues over 20%. There was some discussion of current contracts and the process of negotiating these contracts with various companies.

MNDOT is replacing the culvert on Keene Creek on Grand Avenue. As part of that replacement, the water main and sewer line need to be replaced. We are taking this opportunity to put in a larger plastic water pipe. We have an agreement that when work is done on a MNDOT road, we will pay for the upgrade to the utilities. The estimated cost to the utilities is \$101K.

Commissioner Gardner reported that the Council will be interviewing two DPUC applicants on Monday. Two others will be interviewed in May. The new commissioner should be on board prior to the regular May meeting.

Commissioner questions or comments

President Sellner mentioned a couple points that she had read about in Robert's Rules of Order. There was some discussion about reconsideration of motions and secondary motions.

Commissioner Gardner inquired about proper procedure if commissioners are unable to attend meetings. It was decided that commissioners should contact Leanna Gilbert, who would then let everyone know if there would not be a quorum. President Sellner could then decide whether a meeting should be canceled. Per ordinance, a quorum is five commissioners, and two of them must be councilors.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, May 21, 2013, at 5:15 p.m. in City Council Chambers.

Adjournment: The meeting was adjourned at 6:10 p.m.