

## DULUTH PUBLIC UTILITIES COMMISSION

### Meeting Minutes

January 17, 2017

**Members Present:** Jen Julsrud, Jim Lewis, Rob Prusak, Councilor Joel Sipress, Jason Thorsell, Councilor Em Westerlund

**Members Absent:** Councilor Zack Filipovich

**Staff Present:** Bob Asleson, Jim Benning, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid

**Call to Order:** The meeting was called to order at 5:20 p.m. by President Prusak.

#### Approval of previous meeting minutes

#### Old business:

##### Gas transport rate

Eric Shaffer stated that we would probably recommend a small increase to the transport rate, but he is still reviewing this with gas control personnel. There are no customers currently affected by this rate. ME Global has a separate contract.

#### New business:

##### Water utility discussion

The Commission previously discussed studying the water utility for a few months and forming a plan of action for rate modifications. Commissioner Julsrud would like to follow the WLSSD model of small annual rate increases. President Prusak would like to discuss some different scenarios next month. Commissioner Julsrud suggested meeting at the water plant again after the new commissioners begin their terms so that they can get an overview of the system.

##### Water Supply Plan

No action is required at this time. The Water Supply Plan has been submitted to the State for review and acceptance. Once accepted by the State, the plan will be sent back to us for adoption. There was some discussion about the content of the document.

##### Upcoming vacancy – at large member

Jason Thorsell has opted not to be reappointed when his term expires on March 31<sup>st</sup>. There are currently two applications on file, but it appears that only one applicant lives within City limits. Commissioners should encourage others to apply as well.

##### Election of officers

Commissioner Julsrud nominated Rob Prusak for President, and he was elected unanimously. Commissioner Sipress nominated Jen Julsrud for Vice President, and she was elected unanimously.

##### Updates from staff

Eric Shaffer stated that the Engineering staff is working on plans for the upcoming construction season. They are also working on the water model, but there is an issue with calibration. Up until a few years ago, the most natural gas used was about 36,000 MCF in one day. During the really cold winter, we used about

46,000 MCF. We only have contracts to buy 42,000 or 43,000 MCF, so we exceeded our limit. We had a day recently that was up around 40,000 MCF. We installed a new 12" pipe down 4<sup>th</sup> Street that has made operation of the system substantially better. If we get more big customers, we will be at our limit and may need to either buy more capacity or shut interruptible customers off during cold weather. Cirrus uses a lot of gas, and they are not up to capacity yet. We won't know how much they will really use until next year. A discussion of interruptible and transport rates followed. Staff will provide a list of current interruptible customers to commissioners as requested.

#### **Upcoming Council actions**

The new committee chair for Public Works & Utilities is Councilor Hobbs.

#### **Commissioner questions or comments**

Commissioner Sipress reported that the annual resolution to purchase caustic soda went through Council. Because of what he has learned on the Commission, he was able to educate other councilors and the public about caustic soda.

Commissioner Julsrud asked if a mathematician would be of value to the Commission. Jim Benning replied that an economist might be a better fit.

President Prusak stated that he has an interruptible power rate through MN Power and was shut off when it was bitterly cold. The house got really cold, so he called them the next day to opt out of it. When he saw how much money he was saving with the interruptible rate, he decided not to opt out.

#### **Preview of upcoming business**

The next meeting is scheduled for Tuesday, February 21, 2017, at 5:15 p.m. in City Council Chambers. Jim Benning will work on the water utility timeline. Staff will also work on the gas transport rate and the list of interruptible customers.

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