

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, April 19, 2016

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting & hearing minutes
3. New business:
 - 3.1 Discuss method and amount of penalty for unauthorized turning on of service
 - 3.2 Location of May meeting
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
March 15, 2016

Members Present: Councilor Zack Filipovich, Rob Prusak, Jim Ramnes, Linda Sellner, Councilor Joel Sipress, Councilor Em Westerlund

Members Absent: Jason Thorsell

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

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

Public hearing:

16PUC-004 - RESOLUTION ESTABLISHING WATER RATES EFFECTIVE WITH METER READINGS AFTER APRIL 30, 2016; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF MAY 1, 2016.

The Commission held a public hearing on water rate resolution 16PUC-004. Comments were heard from the public. The hearing was adjourned and the Commission moved on to the regular meeting.

Approval of previous meeting minutes

New business:

16PUC-004 - RESOLUTION ESTABLISHING WATER RATES EFFECTIVE WITH METER READINGS AFTER APRIL 30, 2016; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF MAY 1, 2016.

Commissioner Sipress motioned to approve resolution 16PUC-004 and the motion was seconded. Commissioners Sipress, Filipovich, Westerlund and President Prusak agreed that, while they would prefer to have smaller increases with more notice, they would be supporting this resolution because of the current state of the water system which would only get worse in the future if nothing is done now. Commissioner Sellner said that she is torn on voting in favor of this resolution after listening to the comments from the public and for a couple of other reasons, including government transparency issues, inconsistency in follow-up by the utility regarding resolutions sent to City Council by the Commission, and the 4th Street project. Commissioner Ramnes said that supporting this resolution is the proper thing to do, because one of the primary responsibilities of the municipal utility is to provide a safe, clean water supply to residents and visitors. Resolution 16PUC-004 passed 5-1 (Sellner).

Commissioner Sipress left at this time as he had another meeting to attend.

Updates from staff

There were no updates from staff.

Upcoming Council actions

No upcoming actions were noted.

Commissioner questions or comments

Commissioner Ramnes stated that this is his last meeting. He would like to thank everyone, especially President Prusak, for the hard work that they have put in. He has learned a lot while on the Commission. He compliments City staff for trying to anticipate upcoming problems and find ways to manage the resulting challenges.

Commissioner Sellner stated that she is the longest standing commissioner presently on the PUC. During her time on the Commission she has learned protocol for drafting and presenting resolutions and recently submitted her third resolution regarding the stormwater utility. She reflected on the relationship between past Commission presidents and City staff and mentioned uneasiness over the way things were done and a desire for more transparency. She mentioned the bylaws and parliamentary procedure and her concern due to other PUC resolutions going directly to City Council while her recent stormwater resolution is held up to be rewritten without her inclusion. She hopes that present and future commissioners will act with the highest level of conduct committed to serving the public. Eric Shaffer later stated that Commissioner Sipress had requested a map of the areas noted in Commissioner Sellner's recent resolution. The map was finished Friday, but has not been sent on to anyone yet because the size of the file causes Mr. Shaffer's computer to crash. He will forward it on as soon as he can.

President Prusak thanked Commissioner Ramnes and Commissioner Sellner for their service on the Commission.

Commissioner Filipovich thanked outgoing commissioners for their dedicated service.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 19, 2016, at 5:15 p.m. in City Council Chambers.

Adjournment: The meeting was adjourned at 6:14 p.m.

DULUTH PUBLIC UTILITIES COMMISSION
Public Hearing
March 15, 2016

Members Present: Councilor Zack Filipovich, Rob Prusak, Jim Ramnes, Linda Sellner, Councilor Joel Sipress, Councilor Em Westerlund

Members Absent: Jason Thorsell

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

Others Present: David Ross, resident of 506 W 1st St and President of Duluth Area Chamber of Commerce
John Werner, Mayor of Rice Lake
Bob Woods, resident of 1407 104th Ave W

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

Under consideration was a proposed increase to the water variable rates.

Eric Shaffer, Chief Engineer of Utilities for the City of Duluth, gave a presentation on the state of the water system and the reasons for the proposed rate increase.

David Ross mentioned a common goal of delivering wonderful Lake Superior water to residents and businesses in the most efficient, economical, and safe manner possible; however, an increase in a family's or a business' water rate is a challenge. A large, unanticipated increase is a larger, more difficult challenge. Mr. Ross respectfully requested a phased-in increase with advance notice, such as a 3% increase this year and 3% next year.

John Werner stated that he has a philosophical issue with the monies raised being put into infrastructure other than what feeds Rice Lake. He mentioned previous rate increases and stated that these increases do not allow their small community to increase their rates so that they can have funds to fix their own problems. He said that the neglect of the Duluth water system in previous years has created a big problem now. He also suggested a phased-in approach.

Bob Woods mentioned that he is a former City employee and retired five years ago. He said that while the water variable rate has not been raised in three years, the fixed rate was raised not long ago. He stated that conservation of water by residents has resulted in less revenue and created this problem. He mentioned the recent pay raise for City employees and stated that those on social security did not get any increase in income. He also mentioned the number of citizens on limited incomes. He understands that the system needs to be fixed, but is opposed to so many large increases. He thinks that people will leave Duluth because of the high rates.

The Duluth Public Utilities Commission voted to approve the water rate resolution after the public hearing closed.

Adjournment: The hearing was adjourned at 5:49 p.m.

A recording of this hearing is available upon request.

RESOLUTION NO. 15PUC-007

**RESOLUTION ESTABLISHING FEES FOR VARIOUS
UTILITY-RELATED SERVICES.**

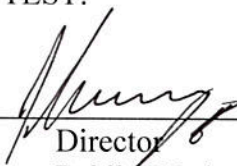
RESOLVED by the Duluth Public Utilities Commission (the "Commission") that, pursuant to the authority contained in Section 2-186 (c) of the Duluth City Code, 1959, as amended, the Commission hereby establishes fees for the services described in Exhibit A attached hereto and made a part hereof (the "Services") in the amounts as set forth in said Exhibit A, said fees to be effective for services provided after January 1, 2016.

RESOLVED FURTHER, that to the extent that any fee approved by an earlier resolution has been amended by any later resolution, the prior inconsistent or conflicting fee shall be deemed to have been superseded.

Approved by the DPUC: Oct. 20, 2015
(date)

Submitted to City Council: Oct. 26, 2015
(where appropriate) (date)

ATTEST:



Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE: The purpose of this resolution is for the DPUC to set fees for various services provided by the City in conjunction with the provision of utility services as authorized by Section 2-186 (c) of the City code.

Fees Set by DPUC	2015 Fee	2016 Fee
FOG Program - Failure to Maintain Records - per day	\$100.00	\$100.00
FOG Program - Noncompliance - Maximum Penalty - per month	\$1,000.00	\$1,000.00
Gas Furnace Comfort Policy Fee - DCC - annual	\$190.00	\$190.00
Gas Furnace Comfort Policy Fee - Electronic Ignition - Annual	\$178.00	\$178.00
Gas Furnace Comfort Policy Fee - Standing Pilot - Annual	\$166.00	\$166.00
Gas Furnace/Appliance Service - Midnight to 8:00 a.m. - 1st hour OR No show fee	\$165.00	\$165.00
Gas Furnace/Appliance Service - Midnight to 8:00 a.m. - Each additional 15 minutes	\$41.25	\$41.25
Gas Furnace/Appliance Service - Weekdays - 4:30 p.m. to Midnight - 1st 1/2 hour OR no show fee	\$110.00	\$110.00
Gas Furnace/Appliance Service - Weekdays - 4:30 p.m. to Midnight - Each additional 15 minutes	\$27.50	\$27.50
Gas Furnace/Appliance Service - Weekdays - 8:00 a.m. to 4:30 p.m. - 1st 1/2 hour OR no show fee	\$55.00	\$55.00
Gas Furnace/Appliance Service - Weekdays - 8:00 a.m. to 4:30 p.m. - Each additional 15 minutes	\$27.50	\$27.50
Gas Furnace/Appliance Service - Weekends and Holidays - 4:00 p.m. to Midnight - 1st 1/2 hour OR No Show Fee	\$110.00	\$110.00
Gas Furnace/Appliance Service - Weekends and Holidays - 4:00 p.m. to Midnight - Each additional 15 minutes	\$27.50	\$27.50
Gas Furnace/Appliance Service - Weekends and Holidays - 8:00 a.m. to 4:00 p.m. - 1st 1/2 hour OR No Show Fee	\$110.00	\$110.00
Gas Furnace/Appliance Service - Weekends and Holidays - 8:00 a.m. to 4:00 p.m. - Each additional 15 minutes	\$27.50	\$27.50
Gas Furnace/Appliance Service - Weekends and Holidays - Midnight to 8:00 a.m. - 1st 1/2 hour OR no show fee	\$165.00	\$165.00
Gas Furnace/Appliance Service - Weekends and Holidays - Midnight to 8:00 a.m. - Each additional 15 minutes	\$41.25	\$41.25
I&I Noninspection/noncompliance Surcharge - per month	\$250.00	\$250.00
Point of Sale - Inspection Fee - Sump Pump Already in Place or Not Required	\$105.00	\$105.00
Point of Sale - Inspection Fee - Sump Pump Installation Required	\$205.00	\$205.00
Point of Sale - Noncompliance surcharge - per month	\$250.00	\$250.00
Violations/Noncompliance/Credit Service Charge - Dispatch of Service Vehicle	\$55.00	\$55.00
Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 12:00 a.m.-8:00 a.m.	\$160.00	\$160.00
Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 4:30 p.m.-12:00 a.m.	\$80.00	\$80.00
Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 8:00 a.m.-4:30 p.m.	\$55.00	\$55.00
Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekends and Holidays	\$160.00	\$160.00
Water and Gas - Shut Off or Turn On - Minimum Charge	\$55.00	\$55.00
Water and Gas Service Construction Permit - Special inspection fee - minimum	\$25.00	\$25.00
Water Hydrant, Use of	\$210.00	\$210.00
Water Service - Tapping Fee (1" or less)	\$385.00	\$385.00
Water Service - Thawing - Equipment Fee - per water service	\$60.00	\$60.00
Water Service - Thawing - Minimum Fee - per water service	\$525.00	\$525.00