

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, June 21, 2016

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. New business:
  - 3.1 16PUC-005 - RESOLUTION ESTABLISHING PENALTIES FOR UNAUTHORIZED GAS RECONNECTION.
  - 3.2 16PUC-006 - RESOLUTION ESTABLISHING PENALTIES FOR UNAUTHORIZED WATER RECONNECTION.
  - 3.3 16PUC-007 - RESOLUTION REQUESTING CITY TO ESTABLISH FEE FOR PROCESSING CREDIT CARD PAYMENTS OVER THE TELEPHONE.
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**May 17, 2016**

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

**Members Absent:** Jen Julsrud

**Staff Present:** Bob Asleson, Liz Bieter, Leanna Gilbert, Eric Shaffer, Glenn Strid

**Call to Order:** The meeting was called to order at 6:30 p.m. by President Prusak.

**Approval of previous meeting minutes**

**New business:**

**Discuss method and amount of penalty for unauthorized turning on of service**

Liz Bieter reported on her research of what other cities do in these situations. Staff is recommending \$100 for the first incident, \$200 for the second incident, and \$400 for the third and subsequent incidents in addition to any other charges and the value of the utility stolen. This would be a rolling 12 month period. After discussing the availability of appeals and other resources for getting help with utility bills, the Commission instructed staff to prepare a resolution for the next meeting setting the amount of the penalty.

**Discuss over-the-phone credit card processing fee (not automated system)**

Liz Bieter reported on her research of what other municipalities and utility companies charge for credit card payments. Customer Service staff would need to be clear about the charge for the transaction and make the customer aware of all the other options to pay. The customer would also have to wait until the person near the credit card machine was available to process their payment. Staff will prepare a resolution setting a \$5.00 fee for over-the-phone credit card payment processing as instructed by the Commission. The ultimate goal is to phase out this payment option.

**Updates from staff:**

**Stormwater appeal update**

The Commission currently does not have the authority to hear stormwater appeals. An ordinance is in progress that would grant them the authority for this.

**2016 Capital Projects and bonding bill update**

Eric Shaffer gave an overview of capital projects for 2016. Commissioners can look over the list that he provided and contact him with any questions. There is a change order with Hanco on the City Council agenda. They agreed to do the work at last year's prices plus a mobilization charge. Work from the blanket project was also added to the 18<sup>th</sup> Ave E project. Eric briefly described the upgrading project. Commissioners Westerlund and Sipress inquired about the 4<sup>th</sup> Street project. Eric said that half a block had been added from last year in order to supply water to a street. Two 36-inch valves installed last year did not work this year, so they are being replaced under warranty. Eric did not have any updates on the bonding bill, but we will be moving ahead with lining the sanitary sewer on Superior Street.

**Budget process**

Glenn Strid mentioned that the bylaws say that the Commission should review and recommend the utility budgets by October 1<sup>st</sup>. Staff usually presents the budgets in August and then the Commission votes in September. Eric Shaffer said that staff intends to let the Commission know if an increase is needed in August of each year. No increases are expected for 2017. Glenn provided a summary of 2015 year-end revenues, expenses, and cash balances for all utilities and stated that most differences were due to the timing of project payments and closeouts.

**Upcoming Council actions**

Eric Shaffer said that the upcoming City Council agenda should include resolutions for the blanket gas work as previously discussed as well as manhole adjustments and bollards.

**Commissioner questions or comments**

No questions or comments were mentioned at this time.

**Preview of upcoming business**

The next meeting is scheduled for Tuesday, June 21, 2016, at 5:15 p.m. in City Council Chambers. The Commission will consider resolutions regarding the proposed penalty for unauthorized turning on of services and the proposed fee for credit card payment processing.

**Adjournment:** The meeting was adjourned at 7:26 p.m.

**RESOLUTION NO. 16PUC-005**

**RESOLUTION ESTABLISHING PENALTIES FOR  
UNAUTHORIZED GAS RECONNECTION.**

RESOLVED by the Duluth Public Utilities Commission (the “Commission”) that, pursuant to the authority contained in Sections 2-186 (c) and 48-27 (c) of the Duluth City Code, 1959, as amended, the Commission hereby establishes the following penalties for restoration of gas service in violation of Section 48-27 of the Code occurring within any 365 day period as hereinafter provided for. The penalty applicable for any violation which is a second or subsequent violation to one occurring during any 365 day period shall be the next higher level penalty to that applied to any violation of said section which has occurred within the preceding 365 day period:

Level 1:	\$100.00
Level 2:	\$200.00
Level 3 and subsequent violations:	\$400.00

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council: \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:** The purpose of this resolution is to establish the amount of the penalty applicable to the unauthorized turning on of gas service after it has been shut off by the Department.

**RESOLUTION NO. 16PUC-006**

**RESOLUTION ESTABLISHING PENALTIES FOR  
UNAUTHORIZED WATER RECONNECTION.**

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that, pursuant to the authority contained in Sections 2-186 (c) and 48-27 (c) of the Duluth City Code, 1959, as amended, the Commission hereby establishes the following penalties for restoration of water service in violation of Section 48-27 of the Code occurring within any 365 day period as hereinafter provided for. The penalty applicable for any violation which is a second or subsequent violation to one occurring during any 365 day period shall be the next higher level penalty to that applied to any violation of said section which has occurred within the preceding 365 day period:

Level 1:	\$100.00
Level 2:	\$200.00
Level 3 and subsequent violations:	\$400.00

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council: \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:** The purpose of this resolution is to establish the amount of the penalty applicable to the unauthorized turning on of water service after it has been shut off by the Department.

**RESOLUTION NO. 16PUC-007**

**RESOLUTION REQUESTING CITY TO ESTABLISH FEE  
FOR PROCESSING CREDIT CARD PAYMENTS OVER  
THE TELEPHONE.**

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that the Commission hereby requests that the City of Duluth establish a fee in the amount of \$5.00 to be charged to customers paying their utility bills by having Department personnel process a credit card payment over the telephone.

Approved by the DPUC: \_\_\_\_\_  
(date)

Submitted to City Council: \_\_\_\_\_  
(where appropriate) (date)

ATTEST:

\_\_\_\_\_  
Director  
Public Works and Utilities  
City of Duluth

**STATEMENT OF PURPOSE:** The purpose of this resolution is to request that the City authorize the Department to charge a \$5.00 fee to be added to the bill of customers who wish to pay their bill by having Department personnel process credit card payments over the telephone. The purpose of this fee is to compensate the Department for its additional costs in time, personnel and additional risk in having Department personnel process these transactions. Customers could still use credit cards to pay their bills online, in person, or by using the automated telephone system without any additional charge.