

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, April 16, 2019

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. Old business:
 - 3.1 Middle booster station
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business
8. Known absences for future meetings
9. Tour of Middle booster station

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
March 19, 2019

Members Present: Councilor Zack Filipovich, Howard Jacobson, Chris McIntosh, Rob Prusak, Carrie Ryan, Councilor Joel Sipress

Members Absent: Councilor Arik Forsman

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Eric Shaffer, Glenn Strid, Kerry Venier

Call to Order: President Prusak called the meeting to order at 5:16 p.m.

Approval of previous meeting minutes

Old business:

Middle booster station

Eric Shaffer stated that we are still working on the Middle booster station study and trying to figure out the biggest pumps we can put in there without changing the influent suction and discharge piping. We have also started rearranging projects so that we can pay cash for this project. We do not have a total cost estimate for Middle yet, so this is still a work in progress. Staff should have more information in two months.

Updates from staff

Eric Shaffer reported that the current focus is getting projects out for bid. The first project to be bid was the gas main lowering at Riverwest, which came in at \$110,000. The developer is paying 48% of the cost, and the City is paying 52%. The gas blanket project is advertised. The Decker Road project was submitted to MNDOT for approval. The County is advertising the Woodland project where we will be doing a lot of water main. A second heater will be installed for the regulator station in Gary, and the resolution ordering it should be on the April 8 Council agenda.

Upcoming Council actions

No upcoming actions were mentioned.

Commissioner questions and comments

Commissioner Sipress asked for an update on water main breaks. Jim Benning stated that the worst should be over, but we will see what happens in the next month or so. Eric Shaffer reported that there have been quite a few water services freezing due to people on the bleeder lists shutting off their water early. The water main on Fairmont also froze. We had previously lowered this section of main, but it froze again due to the proximity of a storm culvert. It has been replaced and insulated.

Vice President Ryan asked for an update on stormwater rates. Jim Benning stated that we are still waiting for the legislative session to run its course. President Prusak asked if there was anything new on the half-percent sales tax. Jim Benning stated that we are optimistic that it will go through.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, April 16, 2019 at 5:15 p.m. in City Council Chambers. A tour of the Middle booster station will follow the meeting.

Known absences for future meetings

None were mentioned.

Adjournment: The meeting was adjourned at 5:28 p.m.

Utility Funds Cash Projections - Projected 2018 vs. 2018 Actual

4/8/19

WATER FUND	Projected 2018	Actual 2018	2018 Actual (-) Projection	Budget 2019
				<i>Beginning Actual Balance</i>
Unrestricted Cash - Beginning	0	0	0	1,988,044
Additions to Cash				
Total Revenues	15,253,200	15,102,012	(151,188)	15,744,200
Other Sources of Cash (see Note 1)	141,265	141,265	0	
Total Additions to Cash	15,394,465	15,243,277	(151,188)	15,744,200
Deductions to Cash				
Total Operating Expenses	10,256,600	10,116,804	(139,796)	10,684,900
Capital Related Costs	814,300	989,175	174,875	3,437,200
Other Uses of Cash (see Note 2)	2,067,149	2,149,254	82,105	1,210,800
Total Deductions to Cash	13,138,049	13,255,233	117,184	15,332,900
Current Year Surplus / (Deficit)	2,256,416	1,988,044	(268,372)	411,300
			0	
Estimated Year End Cash Balance	2,256,416	1,988,044	(268,372)	2,399,344

GAS FUND	Projected 2018	Actual 2018	2018 Actual (-) Projection	Budget 2019
				<i>Beginning Actual Balance</i>
Unrestricted Cash - Beginning	331,866	331,866	0	1,886,098
Additions to Cash				
Total Revenues	38,677,500	39,235,794	558,294	38,821,600
Other Sources of Cash	163,024	2,033,886	1,870,862	150,000
Loans Repaid by Other Funds	1,495,783	1,495,783	0	2,597,498
Total Additions to Cash	40,336,307	42,765,463	2,429,156	41,569,098
Deductions to Cash				
Total Operating Expenses	34,242,800	34,756,644	513,844	35,692,700
Capital Related Costs	3,341,400	3,140,824	(200,576)	3,708,200
Other Uses of Cash	716,423	716,265	(158)	730,400
Loans Advanced to Other Funds	0	2,597,498	2,597,498	0
Total Deductions to Cash	38,300,623	41,211,230	2,910,608	40,131,300
Current Year Surplus / (Deficit)	2,035,684	1,554,232	(481,452)	1,437,798
Estimated Year End Cash Balance	2,367,550	1,886,098	(481,452)	3,323,896

SANITARY SEWER FUND	Projected 2018	Actual 2018	2018 Actual (-) Projection	Budget 2019
				<i>Beginning Actual Balance</i>
Unrestricted Cash - Beginning	279,605	279,605	0	1,836,814
Additions to Cash				
Total Revenues	18,435,200	18,181,843	(253,357)	18,669,400
Other Sources of Cash	178,893	822,889	643,996	0
Loans Repaid by Other Funds	1,495,782	1,495,782	0	0
Total Additions to Cash	20,109,875	20,500,514	390,639	18,669,400
Deductions to Cash				
Total Operating Expenses	14,727,500	14,634,714	(92,786)	14,863,900
Capital Related Costs	2,320,300	2,344,842	24,542	2,214,800
Other Uses of Cash	2,018,269	1,963,749	(54,520)	1,623,600
Total Deductions to Cash	19,066,069	18,943,305	(122,765)	18,702,300
Current Year Surplus / (Deficit)	1,043,805	1,557,209	513,404	(32,900)
Estimated Year End Cash Balance	1,323,410	1,836,814	513,404	1,803,914

CLEAN WATER FUND	Projected 2018	Actual 2018	2018 Actual (-) Projection	Budget 2019
				<i>Beginning Actual Balance</i>
Unrestricted Cash - Beginning	759,616	759,616	0	805,442
Additions to Cash				
Total Revenues	1,632,000	1,636,413	4,413	1,632,000
Other Sources of Cash	0	4,951	4,951	0
Total Additions to Cash	1,632,000	1,641,364	9,364	1,632,000
Deductions to Cash				
Total Operating Expenses	235,400	442,103	206,703	588,800
Capital Related Costs	0	0	0	0
Other Uses of Cash	1,153,400	1,153,435	35	1,168,000
Total Deductions to Cash	1,388,800	1,595,538	206,738	1,756,800
Current Year Surplus / (Deficit)	243,200	45,826	(197,374)	(124,800)
Estimated Year End Cash Balance	1,002,816	805,442	(197,374)	680,642

Utility Funds Cash Projections - Projected 2018 vs. 2018 Actual

4/8/19

STORMWATER FUND	Projected 2018	Actual 2018	2018 Actual (-) Projection	Budget 2019 <i>Beginning Actual Balance</i>
Unrestricted Cash - Beginning	889,030	889,030	0	1,509,373
Additions to Cash				
Total Revenues	5,293,600	5,286,578	(7,022)	5,298,600
Other Sources of Cash	14,633	267,795	253,162	0
Total Additions to Cash	5,308,233	5,554,373	246,140	5,298,600
Deductions to Cash				
Total Operating Expenses	3,862,800	3,764,938	(97,862)	4,187,800
Capital Related Costs	1,188,500	906,940	(281,560)	1,502,400
Other Uses of Cash	262,102	262,151	49	130,000
Total Deductions to Cash	5,313,402	4,934,029	(379,373)	5,820,200
Current Year Surplus / (Deficit)	(5,169)	620,343	625,512	(521,600)
Estimated Year End Cash Balance	883,861	1,509,373	625,512	987,773

Note 1

Other Sources of Cash may include: Due from Other Funds
 Special Assessment Principal
 Loans Repaid by Other Funds
 Energy Fund Loan Repayment (Gas)
 Special Assessment Principal
 Accrual Cash Flow Adjustments (+)

Note 2

Other Uses of Cash may include: Due to Other Funds
 Loans Advanced to Other Funds
 Bond Principal Payments
 AMRS Lease Principal Payments
 Infrastructure System Replacement Fund (Sanitary Sewer)
 Accrual Cash Flow Adjustments (-)

Accrual Cash Flow Adjustments + / - may include:

<i>Due from Other Funds (Ending Balance)</i>	<i>Change in Prepaid Natural Gas</i>
<i>Special Assess - Current (Ending Balance)</i>	<i>Change in Prepaids</i>
<i>Due to Other Funds (Ending Balance)</i>	<i>Change in Payables</i>
<i>Changes in Restricted Cash</i>	<i>Net Bond Proceeds/(Refundings)</i>
<i>Change in Special Assessments - Noncurrent</i>	<i>Capital Improvements-Bond (5532)</i>
<i>Change in Receivables</i>	<i>In-House Project Engineering Costs</i>
<i>Change in Due from Other Governments</i>	<i>Capital Outlay moved to Expense</i>
<i>Change in Inventories</i>	<i>Book Value of Asset Deletions</i>