



# MEETING AGENDA

Duluth Public Utilities Commission

September 17, 2019

- Roll call
- Approval of previous meeting minutes
- Old business:
  - 2020 utilities budget discussion
- New business:
  - 19PUC-001 – RESOLUTION APPROVING AND RECOMMENDING 2020 UTILITY BUDGET.
  - 19PUC-002 – RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.
  - Proposed changes to customer security deposits
- Updates from staff
- Upcoming Council actions
- Commissioner questions or comments
- Preview of upcoming business
- Known absences for future meetings

**DULUTH PUBLIC UTILITIES COMMISSION**  
**Meeting Minutes**  
**August 20, 2019**

**Members Present:** Councilor Arik Forsman, Chris McIntosh, Rob Prusak, Carrie Ryan, Councilor Joel Sipress; Councilor Zack Filipovich arrived at 5:19 p.m.

**Members Absent:** Howard Jacobson

**Staff Present:** Bob Asleson, 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**

**New business:**

**2020 utilities budget discussion**

Glenn Strid gave an overview of each of the proposed utility budgets and answered questions from commissioners. Eric Shaffer answered questions about the five-year utility capital plans. Commissioners will review this again at the next meeting and consider a resolution approving and recommending the budget to City Council.

**Updates from staff**

Eric Shaffer reported on the progress of various projects including Decker Road, Superior Street water and gas, Woodland Avenue water and gas, McCuen Street water main, and the water plant roof.

**Upcoming Council actions**

The 2020 City fee schedule will be coming up soon, and the Commission will need to review and approve utility-related fees at the next meeting.

**Commissioner questions and comments**

President Prusak said thank you for putting together the budget information.

**Preview of upcoming business**

The next regular meeting is scheduled for Tuesday, September 17, 2019 at 5:15 p.m. in City Council Chambers. The Commission will consider a resolution approving and recommending the 2020 utility budget to City Council. They will also review proposed 2020 utility-related fees. The Commission will review the stormwater utility rates in the next few months.

**Known absences for future meetings**

Commissioner McIntosh will not be able to attend the September meeting.

**Adjournment:** The meeting was adjourned at 6:40 p.m.

**WATER FUND**  
**CASH PROJECTION - DRAFT BUDGET**  
**PROJECTED 2019 THRU 2021**

08/27/19

	Actual 2018	Budget 2019	Projected 2019	Budget 2020	Projected 2021
<b>Unrestricted Cash (including Debt Serv. Res.)</b>	<b>0</b>	<b>2,256,416</b>	<b>1,988,044</b>	<b>3,819,003</b>	<b>2,837,203</b>
<b>Revenues:</b>					
Metered Water Sales (4810)	11,249,384	12,000,000	11,703,000	12,300,000	12,900,000
Water Sales for Resale (4811)	1,091,011	1,035,000	1,105,000	1,157,500	1,213,500
Fixed Rate Charges (4831)	2,402,783	2,403,000	2,409,000	2,411,000	2,413,000
Misc. Operating Revenue	181,977	133,000	134,000	136,000	136,000
Non-Operating Revenues	176,857	173,200	174,200	174,200	174,200
<b>Total Revenues</b>	<b>15,102,012</b>	<b>15,744,200</b>	<b>15,525,200</b>	<b>16,178,700</b>	<b>16,836,700</b>
<b>Other Sources of Cash:</b>					
Due from Other Funds	21,296	-	10,794	-	-
Special Assessment Principal	119,969	-	109,212	-	-
Loans Received from Other Funds	-	-	-	-	-
Accrual Cash Flow Adjustments	-	-	-	-	-
<b>Total Additions to Cash</b>	<b>15,243,277</b>	<b>15,744,200</b>	<b>15,645,206</b>	<b>16,178,700</b>	<b>16,836,700</b>
<b>Expenses:</b>					
Salaries	3,794,540	3,998,100	3,848,500	4,071,800	4,153,200
Benefits	1,564,189	1,751,700	1,743,300	1,823,200	1,944,300
Retiree Insurance & OPEB - Benefits (5135)	569,134	549,600	574,400	627,600	690,400
Retiree Insurance & OPEB - Transfers (5700-60)	-	-	-	-	-
Supplies	949,509	1,324,800	1,201,700	1,453,900	1,453,900
Other Services and Charges	1,255,543	1,296,000	1,327,000	1,358,400	1,298,400
Utilities	1,321,655	1,351,900	1,084,800	1,333,700	1,333,700
Transfers	151,482	221,700	221,700	226,000	226,000
Improvements Non-Capital (5535)	253,700	55,000	36,000	6,400	-
Debt Service - Interest Expense (5611)	119,291	82,000	180,400	192,000	199,400
Fiscal Fees	78,856	500	400	400	400
AMRS Lease Interest Payment (5614)	58,905	53,600	53,600	44,100	34,400
<b>Total Expenses</b>	<b>10,116,804</b>	<b>10,684,900</b>	<b>10,271,800</b>	<b>11,137,500</b>	<b>11,334,100</b>
<b>Capital Related Costs:</b>					
Capital Improvements from Current Revenues (5533)	564,851	3,180,000	2,098,000	4,497,200	3,185,000
Capital Equipment Purchases (5580)	424,324	257,200	213,600	286,500	181,600
<b>Total Expenses and Capital</b>	<b>11,105,979</b>	<b>14,122,100</b>	<b>12,583,400</b>	<b>15,921,200</b>	<b>14,700,700</b>
<b>Other Uses of Cash:</b>					
Due to Other Funds	19,106	-	20,047	-	-
Loans Repaid to Other Fund	376,543	-	-	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Bond Principal Payments	1,434,707	965,000	965,000	984,000	1,082,700
AMRS Lease Principal Payments	236,786	245,800	245,800	255,300	265,000
Accrual Cash Flow Adjustments	82,112	-	-	-	-
<b>Total Deductions to Cash</b>	<b>13,255,233</b>	<b>15,332,900</b>	<b>13,814,247</b>	<b>17,160,500</b>	<b>16,048,400</b>
<b>Current Year Surplus / (Deficit)</b>	<b>1,988,044</b>	<b>411,300</b>	<b>1,830,959</b>	<b>(981,800)</b>	<b>788,300</b>
<b>Estimated Year End Cash Balance</b>	<b>1,988,044</b>	<b>2,667,716</b>	<b>3,819,003</b>	<b>2,837,203</b>	<b>3,625,503</b>
Budget Reduction Needed		-	-	-	-
<b>Estimated Cash After Budget Reduction</b>	<b>1,988,044</b>	<b>2,667,716</b>	<b>3,819,003</b>	<b>2,837,203</b>	<b>3,625,503</b>
<b>Total Reserve Needed (February Debt Payment Due)</b>		254,100	531,800	569,700	586,300

**GAS FUND  
CASH PROJECTION - DRAFT BUDGET  
PROJECTED 2019 THRU 2021**

08/27/19

	Actual 2018	Budget 2019	Projected 2019	Budget 2020	Projected 2021
<b>Unrestricted Cash (including Debt Serv. Res.)</b>	<b>331,866</b>	<b>2,367,550</b>	<b>1,886,098</b>	<b>4,377,595</b>	<b>4,278,595</b>
<b>Revenues:</b>					
Metered Gas Revenues:					
Variable Rate	33,379,397	33,272,800	33,949,400	35,631,800	35,681,700
Fixed Rate	4,048,532	4,020,000	4,073,300	4,089,700	4,095,000
Misc. Operating Revenue	1,676,477	1,410,500	1,360,000	1,882,300	1,340,500
Non-Operating Revenues	131,388	118,300	143,300	138,300	138,300
Reimbursement of Capital Improvements	-	-	-	-	-
<b>Total Revenues</b>	<b>39,235,794</b>	<b>38,821,600</b>	<b>39,526,000</b>	<b>41,742,100</b>	<b>41,255,500</b>
<b>Other Sources of Cash:</b>					
Due from Other Funds	6,720	-	8,942	-	-
Loans Repaid by Other Funds	1,495,783	-	2,597,498	-	-
Energy Fund Loan Repayment	150,000	150,000	150,000	150,000	150,000
Special Assessment Principal	6,304	-	6,272	-	-
Accrual Cash Flow Adjustments	1,870,862	-	-	-	-
<b>Total Additions to Cash</b>	<b>42,765,463</b>	<b>38,971,600</b>	<b>42,288,712</b>	<b>41,892,100</b>	<b>41,405,500</b>
<b>Expenses:</b>					
Salaries	5,284,270	5,513,900	5,309,800	5,599,800	5,711,800
Benefits	2,173,865	2,408,300	2,390,600	2,481,300	2,643,800
Retiree Insurance & OPEB - Benefits (5135)	923,114	958,800	898,100	993,400	1,092,700
Retiree Insurance & OPEB - Transfers (5700-60)	-	-	-	-	-
Supplies	998,774	1,141,200	1,018,900	1,165,500	1,115,500
Natural Gas Purchases	20,731,398	20,906,700	21,744,400	22,558,600	22,735,600
Other Services and Charges	1,789,812	1,776,900	1,872,000	1,810,500	1,810,500
In Lieu of Tax	2,528,413	2,698,000	2,728,800	2,756,800	2,875,400
Utilities	41,158	40,600	35,300	38,800	38,800
Transfers	114,776	159,500	159,500	163,800	163,800
Improvements Non-Capital (5535)	94,644	29,000	9,000	6,400	5,000
Debt Service - Interest Expense (5611)	21,870	10,100	10,100	-	-
Fiscal Fees	554	600	500	500	500
AMRS Lease Interest Payment (5614)	53,996	49,100	49,100	40,500	31,500
<b>Total Expenses</b>	<b>34,756,644</b>	<b>35,692,700</b>	<b>36,226,100</b>	<b>37,615,900</b>	<b>38,224,900</b>
<b>Capital Related Costs:</b>					
Capital Improvements from Current Revenues (5533)	2,657,376	3,180,000	2,481,000	3,846,500	2,865,000
Capital Improvements that have been Reimbursed	-	-	-	-	-
Capital Equipment Purchases (5580)	483,448	528,200	338,500	294,700	318,500
<b>Total Expenses and Capital</b>	<b>37,897,468</b>	<b>39,400,900</b>	<b>39,045,600</b>	<b>41,757,100</b>	<b>41,408,400</b>
<b>Other Uses of Cash:</b>					
Due to Other Funds	19,211	-	21,216	-	-
Loans Advanced to Other Funds	2,597,498	-	-	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Bond Principal Payments	480,000	505,000	505,000	-	-
AMRS Lease Principal Payments	217,054	225,400	225,400	234,000	242,900
Debt Called	-	-	-	-	-
Accrual Cash Flow Adjustments	-	-	-	-	-
<b>Total Deductions to Cash</b>	<b>41,211,230</b>	<b>40,131,300</b>	<b>39,797,216</b>	<b>41,991,100</b>	<b>41,651,300</b>
<b>Current Year Surplus / (Deficit)</b>	<b>1,554,232</b>	<b>(1,159,700)</b>	<b>2,491,496</b>	<b>(99,000)</b>	<b>(245,800)</b>
<b>Estimated Year End Cash Balance</b>	<b>1,886,098</b>	<b>1,207,850</b>	<b>4,377,595</b>	<b>4,278,595</b>	<b>4,032,795</b>
Budget Reduction Needed		-	-	-	-
<b>Estimated Cash After Budget Reduction</b>	<b>1,886,098</b>	<b>1,207,850</b>	<b>4,377,595</b>	<b>4,278,595</b>	<b>4,032,795</b>
<b>Total Reserve Needed (February Debt Payment Due)</b>		<b>137,200</b>	<b>137,200</b>	<b>137,200</b>	<b>137,200</b>

**SANITARY SEWER FUND  
CASH PROJECTION - DRAFT BUDGET  
PROJECTED 2019 THRU 2021**

08/27/19

	Actual 2018	Budget 2019	Projected 2019	Budget 2020	Projected 2021
<b>Unrestricted Cash (including Debt Serv. Res.)</b>	<b>279,605</b>	<b>1,323,410</b>	<b>1,836,814</b>	<b>2,307,761</b>	<b>1,728,161</b>
<b>Revenues:</b>					
Metered Revenue:					
Variable Revenue	15,878,642	16,409,300	16,148,200	16,329,600	16,341,700
Fixed Revenue	1,940,687	1,936,300	1,938,000	1,940,100	1,941,900
Misc. Operating Revenue	262,143	234,800	375,400	4,586,400	243,400
Non-Operating Revenues (excluding Capital Grants)	22,656	11,300	11,300	11,300	11,300
Transfer from Clean Water to cover their portion of the Infrastructure System Replacement Fund	70,265	70,300	70,300	70,300	70,300
Other Transfers In	7,450	7,400	7,400	7,400	7,400
<b>Total Revenues</b>	<b>18,181,843</b>	<b>18,669,400</b>	<b>18,550,600</b>	<b>22,945,100</b>	<b>18,616,000</b>
<b>Other Sources of Cash:</b>					
Due from Other Funds	15,662	-	5,302		
Loans Repaid by Other Funds	1,495,782				
Special Assessment Principal	163,231		117,320		
Accrual Cash Flow Adjustments	643,996				
<b>Total Additions to Cash</b>	<b>20,500,514</b>	<b>18,669,400</b>	<b>18,673,222</b>	<b>22,945,100</b>	<b>18,616,000</b>
<b>Expenses:</b>					
Salaries	2,352,439	2,253,700	2,187,400	2,406,500	2,454,600
Benefits	1,024,750	1,034,200	1,017,000	1,058,600	1,128,300
Retiree Insurance & OPEB - Benefits (5135)	152,476	157,500	157,500	172,100	189,300
Retiree Insurance & OPEB - Transfers (5700-60)	-	-	-	-	-
Supplies	254,179	349,200	233,100	434,500	434,500
Other Services and Charges	744,526	771,200	801,300	791,600	791,600
WLSSD Treatment Charges (5484)	9,234,233	9,254,200	9,027,200	9,272,100	9,272,100
WLSSD Testing (5485)	216,889	217,000	217,000	216,000	216,000
SSO Grants and Improvements	187,432	300,000	223,800	240,000	240,000
Utilities	140,612	128,400	125,400	134,900	134,900
Transfers	114,776	159,300	159,300	163,700	163,700
Improvements Non-Capital (5535)	34,123	80,000	5,000	68,400	50,000
Debt Service - Interest Expense (5611)	125,813	111,200	107,800	77,900	51,400
Fiscal Fees	1,743	1,900	1,900	1,900	1,900
AMRS Lease Interest Payment (5614)	50,723	46,100	46,100	38,000	29,600
<b>Total Expenses</b>	<b>14,634,714</b>	<b>14,863,900</b>	<b>14,309,800</b>	<b>15,076,200</b>	<b>15,157,900</b>
<b>Capital Related Costs:</b>					
Capital Improvements from Current Revenues (5533)	2,034,177	1,800,000	2,073,000	6,430,000	2,525,000
Capital Equipment Purchases (5580)	310,665	414,800	228,000	405,500	297,700
<b>Total Expenses and Capital</b>	<b>16,979,556</b>	<b>17,078,700</b>	<b>16,610,800</b>	<b>21,911,700</b>	<b>17,980,600</b>
<b>Other Uses of Cash:</b>					
Due to Other Funds	15,169	-	22,875	-	-
Loans Advanced to Other Funds	-	-	-	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Infrastructure System Replacement Fund	119,989	119,900	119,900	119,900	119,900
Bond Principal Payments	1,624,691	1,292,000	1,237,000	1,273,300	945,800
AMRS Lease Principal Payments	203,899	211,700	211,700	219,800	228,200
Accrual Cash Flow Adjustments	-				
<b>Total Deductions to Cash</b>	<b>18,943,305</b>	<b>18,702,300</b>	<b>18,202,275</b>	<b>23,524,700</b>	<b>19,274,500</b>
<b>Current Year Surplus / (Deficit)</b>	<b>1,557,209</b>	<b>(32,900)</b>	<b>470,947</b>	<b>(579,600)</b>	<b>(658,500)</b>
<b>Estimated Year End Cash Balance</b>	<b>1,836,814</b>	<b>1,290,510</b>	<b>2,307,761</b>	<b>1,728,161</b>	<b>1,069,661</b>
Budget Reduction Needed	-	-	-	-	-
<b>Estimated Cash After Budget Reduction</b>	<b>1,836,814</b>	<b>1,290,510</b>	<b>2,307,761</b>	<b>1,728,161</b>	<b>1,069,661</b>
<b>Total Reserve Needed (February Debt Payment Due)</b>		<b>1,191,600</b>	<b>1,196,400</b>	<b>849,100</b>	<b>538,300</b>

**CLEAN WATER FUND  
CASH PROJECTION - DRAFT BUDGET  
PROJECTED 2019 THRU 2021**

08/27/19

	Actual 2018	Budget 2019	Projected 2019	Budget 2020	Projected 2021
<b>Unrestricted Cash (including Debt Serv. Res.)</b>	<b>759,616</b>	<b>1,002,816</b>	<b>805,442</b>	<b>695,542</b>	<b>580,442</b>
<b>Revenues:</b>					
Clean Water Surcharge	1,618,849	1,620,000	1,630,000	1,631,500	1,632,000
Misc. Operating Revenue	18,346	12,000	18,000	12,000	12,000
Non-Operating Revenues (excluding Captital Grants)	(783)	-	-	-	-
<b>Total Revenues</b>	<b>1,636,413</b>	<b>1,632,000</b>	<b>1,648,000</b>	<b>1,643,500</b>	<b>1,644,000</b>
<b>Other Sources of Cash:</b>					
Accrual Cash Flow Adjustments	4,951				
<b>Total Additions to Cash</b>	<b>1,641,364</b>	<b>1,632,000</b>	<b>1,648,000</b>	<b>1,643,500</b>	<b>1,644,000</b>
<b>Expenses:</b>					
Supplies	-	-	-	-	-
Other Services and Charges	7,266	7,600	8,700	8,200	8,200
Grants & Awards	243,320	400,000	400,000	400,000	400,000
Improvements Non-Capital (5535)	-	-	-	-	-
Debt Service - Interest Expense (5611)	121,252	110,900	110,900	94,400	77,700
Transfer to Sewer Fund for Infrastructure System Replacement Fund	70,265	70,300	70,300	70,300	70,300
Other Transfers to Other Funds	-	-	-	-	-
<b>Total Expenses</b>	<b>442,103</b>	<b>588,800</b>	<b>589,900</b>	<b>572,900</b>	<b>556,200</b>
<b>Capital Related Costs:</b>					
Capital Improvements from Current Revenues (5533)	-	-	-	-	-
Capital Equipment Purchases (5580)	-	-	-	-	-
<b>Total Expenses and Capital</b>	<b>442,103</b>	<b>588,800</b>	<b>589,900</b>	<b>572,900</b>	<b>556,200</b>
<b>Other Uses of Cash:</b>					
Budget Carry-Over for Encumbrances					
Bond Principal Payments	1,153,435	1,168,000	1,168,000	1,185,700	1,201,200
Accrual Cash Flow Adjustments					
<b>Total Deductions to Cash</b>	<b>1,595,538</b>	<b>1,756,800</b>	<b>1,757,900</b>	<b>1,758,600</b>	<b>1,757,400</b>
<b>Current Year Surplus / (Deficit)</b>	<b>45,826</b>	<b>(124,800)</b>	<b>(109,900)</b>	<b>(115,100)</b>	<b>(113,400)</b>
<b>Estimated Year End Cash Balance</b>	<b>805,442</b>	<b>878,016</b>	<b>695,542</b>	<b>580,442</b>	<b>467,042</b>
Budget Reduction Needed		-	-	-	-
<b>Estimated Cash After Budget Reduction</b>	<b>805,442</b>	<b>878,016</b>	<b>695,542</b>	<b>580,442</b>	<b>467,042</b>
<b>Total Reserve Needed (February Debt Payment Due)</b>		16,100	62,000	54,200	45,700

**STORMWATER FUND  
CASH PROJECTION - DRAFT BUDGET  
PROJECTED 2019 THRU 2021**

08/27/19

	Actual 2018	Budget 2019	Projected 2019	Budget 2020	Projected 2021
<b>Unrestricted Cash (including Debt Serv. Res.)</b>	<b>889,030</b>	<b>883,862</b>	<b>1,509,373</b>	<b>1,341,897</b>	<b>846,297</b>
<b>Revenues:</b>					
Stormwater Revenue	5,245,030	5,260,000	5,222,000	5,255,000	5,260,000
Misc. Operating Revenue	40,764	33,000	43,600	33,500	34,500
Non-Operating Revenues (excluding Capital Grants)	783	5,600	5,600	5,600	5,600
<b>Total Revenues</b>	<b>5,286,578</b>	<b>5,298,600</b>	<b>5,271,200</b>	<b>5,294,100</b>	<b>5,300,100</b>
<b>Other Sources of Cash:</b>					
Due from Other Funds	12,325	-	5,456	-	-
Special Assessment Principal	2,308	-	894	-	-
Accrual Cash Flow Adjustments	253,162	-	-	-	-
<b>Total Additions to Cash</b>	<b>5,554,373</b>	<b>5,298,600</b>	<b>5,277,550</b>	<b>5,294,100</b>	<b>5,300,100</b>
<b>Expenses:</b>					
Salaries	1,586,940	1,764,700	1,613,700	1,848,300	1,885,300
Benefits	648,870	761,100	723,600	835,700	891,700
Retiree Insurance & OPEB - Benefits (5135)	27,443	29,600	29,600	32,300	35,500
Retiree Insurance & OPEB - Transfers (5700-60)	-	-	-	-	-
Supplies	229,749	290,600	232,900	288,000	288,000
Other Services and Charges	562,362	620,000	566,500	626,600	626,600
Utilities	24,263	25,600	21,500	25,000	25,000
Transfers	528,070	547,100	547,100	551,500	551,500
Improvements Non-Capital (5535)	141,403	135,000	155,000	276,400	345,000
Debt Service - Interest Expense (5611)	15,719	13,900	13,900	10,600	6,500
Fiscal Fees	120	200	100	100	100
<b>Total Expenses</b>	<b>3,764,938</b>	<b>4,187,800</b>	<b>3,903,900</b>	<b>4,494,500</b>	<b>4,655,200</b>
<b>Capital Related Costs:</b>					
Capital Improvements from Current Revenues (5533)	713,011	1,265,000	1,172,000	1,101,400	875,000
Capital Equipment Purchases (5580)	193,929	237,400	230,600	58,800	374,300
<b>Total Expenses and Capital</b>	<b>4,671,878</b>	<b>5,690,200</b>	<b>5,306,500</b>	<b>5,654,700</b>	<b>5,904,500</b>
<b>Other Uses of Cash:</b>					
Due to Other Funds	20,602	-	8,526	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Bond Principal Payments	241,549	130,000	130,000	135,000	140,000
Accrual Cash Flow Adjustments	-	-	-	-	-
<b>Total Deductions to Cash</b>	<b>4,934,029</b>	<b>5,820,200</b>	<b>5,445,026</b>	<b>5,789,700</b>	<b>6,044,500</b>
<b>Current Year Surplus / (Deficit)</b>	<b>620,343</b>	<b>(521,600)</b>	<b>(167,476)</b>	<b>(495,600)</b>	<b>(744,400)</b>
<b>Estimated Year End Cash Balance</b>	<b>1,509,373</b>	<b>362,262</b>	<b>1,341,897</b>	<b>846,297</b>	<b>101,897</b>
Budget Reduction Needed		-	-	-	45,303
<b>Estimated Cash After Budget Reduction</b>	<b>1,509,373</b>	<b>362,262</b>	<b>1,341,897</b>	<b>846,297</b>	<b>147,200</b>
<b>Total Reserve Needed (February Debt Payment Due)</b>		<b>141,300</b>	<b>141,300</b>	<b>144,300</b>	<b>147,200</b>

**Water Capital Improvement Projects 2020-2024**

8/22/19 Revised

Proposed

Project	2020	2021	2022	2023	2024
2nd Street 20-inch main 6th to 12th Ave. East	\$1,000,000				
24th Ave. West, 3rd to 7th Street			\$450,000		
4th Street water main, 6th Ave East to Mesaba (design)					\$200,000
40th Avenue West (County)					\$600,000
Arrowhead and Rice Lake (County)	\$200,000				
Cathodic Protection System on 42-inch steel	\$80,000	\$80,000	\$80,000		
Decker Road	\$1,117,000				
Duluth Heights #1 and #2			\$907,500		
Duluth Heights #3					\$1,000,000
Electrical upgrades at WTP					\$1,500,000
Far East Superior Street water main off 42-inch				\$600,000	\$700,000
Fascia repairs at main WTP pump building				\$100,000	
Hidden Valley phase 2 water main replacement		\$1,400,000			
Middle Pump Station	\$2,400,000				
MNDOT Gogebic Creek				\$200,000	
MNDOT US Steel Creek				\$120,000	
Morris Thomas Rd. water main (County)		\$1,100,000			
PW&U Garfield Facility gravel cover	\$6,200	\$75,000			
PW&U Garfield Facility roof	\$125,000				
Raleigh St, 59th to Grand		\$530,000			
Riley Road laydown area	\$6,400				
Upper Lakeside phase 1, connection on Glenwood			\$900,000		
Upper Lakeside phase 2, connection at golf course			\$787,500		
Upper Lakeside phase 3 upgrades				1,600,000	
Woodland Ave. and East Calvary water main (County)	\$569,000				
Woodland Pump Station construction				\$2,600,000	
Woodland Pump Station design			\$200,000		
Woodland Pump Station study			\$5,000		
WTP pump station service entrance			200,000		
<b>Total</b>	<b>\$5,503,600</b>	<b>\$3,185,000</b>	<b>\$3,530,000</b>	<b>\$5,220,000</b>	<b>\$4,000,000</b>
Bond 5532 Subtotal =	\$1,000,000				
5533 Subtotal =	\$4,497,200	\$3,185,000	\$3,530,000	\$5,220,000	\$4,000,000
5535 Subtotal =	\$6,400	\$0	\$0	\$0	\$0



**Gas Capital Improvement Projects 2020-2024**

8/22/19 Revised

Proposed

Project	2020	2021	2022	2023	2024
3 <sup>rd</sup> Street, Vernon, 2 <sup>nd</sup> Street Alley			\$200,000		
20 <sup>th</sup> Ave. West, 23 <sup>rd</sup> Avenue West, 10 <sup>th</sup> Street Building shell at Stora Enso			\$140,000	\$500,000	\$500,000
<b>Decker Road 6-inch</b>	<b>\$538,500</b>				
Gas Blanket Project	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Meter relocations/bollards	\$100,000	\$250,000	\$250,000	\$250,000	\$250,000
Michigan Street 10-inch			\$120,000		
<b>Michigan Street 16-inch</b>	<b>\$526,800</b>				
MNDOT Central entrance, 8 inch replacement					\$100,000
MNDOT Gogebic culverts				\$100,000	
Morris Thomas Rd. 16-inch main inspection	\$100,000				
Morris Thomas Rd. 16-inch main replacement		\$940,000			
PW&U Garfield Facility gravel cover	\$6,200	\$75,000			
PW&U Garfield Facility roof	\$225,000				
Riley Road laydown area	\$6,400				
Steel main replacements	\$100,000	\$100,000	\$500,000	\$500,000	\$500,000
Stora Enso flow meter	\$250,000				
Upgrading of Peidmont			\$5,000		
Upgrading of Upper Woodland		\$5,000			
Woodland Ave. 6-inch steel pipe replacement	\$500,000				
<b>Total</b>	<b>\$3,852,900</b>	<b>\$2,870,000</b>	<b>\$2,715,000</b>	<b>\$2,850,000</b>	<b>\$2,850,000</b>
5533 Subtotal =	\$3,846,500	\$2,865,000	\$2,710,000	\$2,850,000	\$2,850,000
5535 Subtotal =	\$6,400	\$5,000	\$5,000	\$0	\$0

**Sanitary Sewer Capital Improvement Projects 2020-2024**

8/22/2019 Revised

**Proposed**

<b>Project</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Arrowhead and Rice Lake (County)	\$150,000				
Citywide manhole adjustments	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Citywide sanitary sewer rehabilitation/lining	\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Decker Road	\$223,800				
Lift Station 6 security	\$12,000				
Lift Station 15 Twin Ports Interchange	\$4,400,000				
Lift Station rehabilitation		\$450,000	\$450,000	\$450,000	\$450,000
PW&U Garfield Facility gravel cover	\$6,200	\$75,000			
PW&U Garfield Facility roof	\$100,000				
Riley Road laydown area	\$6,400				
Superior Street laterals	\$50,000				
<b>Total</b>	<b>\$6,498,400</b>	<b>\$2,575,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
5533 Subtotal =	\$6,430,000	\$2,525,000	\$2,450,000	\$2,450,000	\$2,450,000
5535 Subtotal =	\$68,400	\$50,000	\$50,000	\$50,000	\$50,000

**Stormwater Capital Improvement Projects 2020-2024**

8/22/19 Revised

**Proposed**

<b>Projects</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Annual Transportation SIP projects	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Block-long culvert & ditch system improvements				\$250,000	\$250,000
Brewery Creek tuck pointing		\$190,000			
Citywide driveway culverts	\$50,000	\$50,000	\$55,000	\$55,000	\$55,000
Citywide manhole adjustments	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Citywide pipe repairs & steep slope "down drains"		\$110,000	\$310,000	\$250,000	\$250,000
Clarkhouse Creek	\$50,000	\$100,000			
<b>Decker Road</b>	<b>\$320,200</b>				
Gary-New Duluth system improvements		\$50,000			
Gogebic Creek CIPP and storm improvements				\$275,000	
Greys Creek	\$50,000	\$100,000			
Kenwood Avenue box culvert fish passage - Chester Creek			\$40,000	\$300,000	\$300,000
Lower Coffee Creek	\$50,000	\$100,000	\$100,000		
Morris Thomas Road (County)		\$100,000			
Non-Capital storm projects	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000
Norton Rd & Thurber Rd - East Chester Creek (hydro & design)	\$25,000				
Piedmont Heights system improvements		\$50,000			
PW&U Garfield Facility gravel cover	\$6,200	\$75,000			
PW&U Garfield Facility roof	\$50,000				
Riley Road laydown area	\$6,400				
Superior Street, Lakewood to McQuade Rd culvert extensions			\$100,000		
Superior Street reconstruction	\$300,000				
Woodland/Calvary reconstruction (County)	\$175,000				
<b>Total</b>	<b>\$1,377,800</b>	<b>\$1,220,000</b>	<b>\$900,000</b>	<b>\$1,425,000</b>	<b>\$1,150,000</b>
5533 Subtotal =	\$1,101,400	\$875,000	\$650,000	\$1,175,000	\$900,000
5535 Subtotal =	\$276,400	\$345,000	\$250,000	\$250,000	\$250,000

**RESOLUTION NO. 19PUC-001**

**RESOLUTION APPROVING AND RECOMMENDING 2020 UTILITY BUDGET.**

WHEREAS, pursuant to 2-186 (d) of the Duluth City Code, 1959, as amended, the Duluth Public Utilities Commission (the "DPUC") is charged with approving and recommending to the Duluth City Council the annual budget for the City's water utility, natural gas utility, sanitary sewer utility, clean water utility, and stormwater utility; and

WHEREAS, the DPUC has reviewed the attached budget for said utilities for the year 2020 and determined that it is reasonable and appropriate to meet the needs of the respective utilities, of the City and of the customers of the utilities.

RESOLVED, that the DPUC hereby approves and recommends to the City Council that it approve the attached budget for the City's water utility, natural gas utility, sanitary sewer utility, clean water utility, and stormwater utility for the budget year 2020.

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 approve and recommend to the City Council the attached 2020 budget for the City's water utility, natural gas utility, sanitary sewer utility, clean water utility, and stormwater utility.

**RESOLUTION NO. 19PUC-002**

**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, 2020.

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:

\_\_\_\_\_  
(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 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	2019 Fee	2020 Fee	Reason for Change
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	\$225.00	\$225.00	
Gas Furnace Comfort Policy Fee - Electronic Ignition - Annual	\$200.00	\$200.00	
Gas Furnace Comfort Policy Fee - Standing Pilot - Annual	\$190.00	\$190.00	
Gas Furnace/Appliance Service - Weekdays <del>Midnight</del> 8:00 p.m. to 8:00 a.m., Weekends and Holidays - 1st 1/2 hour OR No show fee, additional charges are per 1/4 hour at \$87.50	\$175.00	\$175.00	Consolidate after-hours charges
<del>Gas Furnace/Appliance Service - Weekdays - Midnight to 8:00 a.m. - Each additional 15 minutes</del>	\$87.50	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekdays - 4:30 p.m. to Midnight - 1st 1/2 hour OR no-show fee</del>	\$120.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekdays - 4:30 p.m. to Midnight - Each additional 15 minutes</del>	\$60.00	_	Delete, consolidated
Gas Furnace/Appliance Service - Weekdays - 8:00 a.m. to 4:30 p.m. - 1st 1/2 hour OR no show fee, additional charges are per 1/4 hour at \$32.50	\$60.00	\$65.00	Extend service hours to complete calls to customers who cannot miss work during the day; price per hour has not changed over the past two years
<del>Gas Furnace/Appliance Service - Weekdays - 8:00 a.m. to 4:30 p.m. - Each additional 15 minutes</del>	\$30.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - 4:00 p.m. to Midnight - 1st 1/2 hour OR No Show Fee</del>	\$150.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - 4:00 p.m. to Midnight - Each additional 15 minutes</del>	\$75.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - 8:00 a.m. to 4:00 p.m. - 1st 1/2 hour OR No Show Fee</del>	\$120.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - 8:00 a.m. to 4:00 p.m. - Each additional 15 minutes</del>	\$60.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - Midnight to 8:00 a.m. - 1st 1/2 hour OR no show fee</del>	\$180.00	_	Delete, consolidated
<del>Gas Furnace/Appliance Service - Weekends and Holidays - Midnight to 8:00 a.m. - Each additional 15 minutes</del>	\$90.00	_	Delete, consolidated
I&I Noninspection/noncompliance Surcharge - per month	\$250.00	\$250.00	

Meter Data Fee Monthly Charge	\$10.00	\$10.00	
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	
Unauthorized Gas Reconnection - 1 <sup>st</sup> violation	\$100.00	\$100.00	
Unauthorized Gas Reconnection - 2 <sup>nd</sup> violation	\$200.00	\$200.00	
Unauthorized Gas Reconnection - 3 <sup>rd</sup> and subsequent violations	\$400.00	\$400.00	
Unauthorized Water Reconnection - 1 <sup>st</sup> violation	\$100.00	\$100.00	
Unauthorized Water Reconnection - 2 <sup>nd</sup> violation	\$200.00	\$200.00	
Unauthorized Water Reconnection - 3 <sup>rd</sup> and subsequent violations	\$400.00	\$400.00	
Violations/Noncompliance/Credit Service Charge - Dispatch of Service Vehicle	\$60.00	\$60.00	
<del>Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 12:00 a.m. - 8:00 a.m.</del>	\$175.00	-	Delete, consolidated
<del>Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 4:30 p.m. - 12:00 a.m.</del>	\$120.00	-	Delete, consolidated
Violations/Noncompliance/Credit Service Charge - Restoration of Service - Weekdays between 8:00 a.m.- <del>4:30</del> 8:00 p.m.	\$60.00	\$65.00	Extend service hours, mirror weekday charges
Violations/Noncompliance/Credit Service Charge - Restoration of Service - <b>Weekdays 8:00 p.m. to 8:00 a.m.,</b> Weekends and Holidays	\$180.00	\$180.00	Consolidate after-hours and weekend charges
Water and Gas - Shut Off or Turn On - Minimum Charge	\$60.00	\$65.00	Mirror weekday 1/2 hour charge
Water Hydrant, Use of	\$215.00	\$215.00	
Water Service - Tapping Fee (1" or less)	\$400.00	\$400.00	
Water Service - Thawing - Equipment Fee - per water service	\$60.00	\$60.00	
Water Service - Thawing - Minimum Fee - per water service	\$575.00	\$575.00	