

DULUTH PUBLIC UTILITIES COMMISSION

Meeting Minutes

July 13, 2011

Members Present: Councilor Patrick Boyle, John Bruggeman, Councilor Jay Fosle, Councilor Daniel Hartman, Patrick Huston, Jennifer Julsrud, Linda Sellner

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

Call to Order: The meeting was called to order at 5:16 p.m. by President Julsrud.

Approval of previous meeting minutes

Commissioner Hartman abstained as he was not present at the last meeting.

Old business:

Eric Shaffer's draft presentation

Eric Shaffer distributed an updated version of his water needs presentation. Commissioners and staff discussed when and how to address the conservation rates and capital rates. Commissioner Fosle mentioned the \$3.21 from the clean water surcharge that is due to expire in 2012. Shaffer asked if the commission would want to continue to replace lateral lines after 2016. If so, we may need to extend the surcharge instead of letting it sunset as scheduled. Commissioner Fosle pointed out that lateral lines are the homeowner's responsibility. Shaffer explained which areas are still problem areas and what will happen if there are overflows after the consent decree expires.

President Julsrud suggested that the commission think in phases: conservation rate, infrastructure, and public education. The best ways to educate the public would be through community meetings, the Liquid Assets piece, and the survey. Commissioner Hartman said that the forums will give us the same information as a survey. Commissioner Bruggeman suggested putting an insert in bills with the dates and locations of community meetings. Commissioner Hartman suggested having a separate press release for the conservation rate.

Commissioner Fosle asked what the commission's goal is for how much money to bring in. Shaffer explained what could be done with a few different amounts and how much of an increase there would be on customer bills. Commissioner Hartman suggested that we include this in the public education. President Julsrud said that this could potentially be added to the end of the water needs presentation as well as some possible funding sources.

New business:

Prepare for press conference/special meeting

President Julsrud suggested that the commission postpone the press conference until late August or early September. The commission will decide on a date for the press conference at the August meeting. The press conference will focus on the water infrastructure and the upcoming community meetings.

Water system survey and commercial

President Julsrud, Commissioner Bruggeman, and Jim Benning met with Chris McIntosh, Professor of Economics and expert on surveys, and Jim Vileta, Director of UMD's Bureau of Economic Research, to discuss surveys prior to this meeting. McIntosh and Vileta were present to explain various aspects of surveys to all of the commissioners. The survey would need to engage the public and be informational. It would also need to ascertain their willingness to pay for the necessary repair and replacement of infrastructure. McIntosh believes it would be possible for a survey to do all of the things the commission desires. The way the questions are asked and the way the responses are analyzed would be very important. An internet survey would be the best way of implementation. Bill inserts (mail surveys) would also be possible and would reach a wide variety of people, but there is no control over the order the questions are answered, there is not a very good response rate, there is the possibility that customers might not answer all of the questions, and

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the data entry involved would take an immense amount of time. Commissioner Fosle thought that an internet survey would exclude elderly customers who would be less likely to have internet access. McIntosh suggested offering an incentive to those who complete the survey and making sure the public is aware of places they can go to get free internet access. We would not need every household to reply. We would only need a critical mass of each of the groups. If we did not have enough replies from a group, we could try to target them another way. Commissioner Boyle inquired about the time required to complete a survey. McIntosh said that it would not be possible to have the survey completed within 6 months unless it was really simple and there was a team working on it full-time. We would have to notify people about the survey, allow enough time for them to respond, and perform the statistical analysis. Vileta suggested keeping a survey as simple as possible to minimize the time needed for analysis. Commissioner Huston asked how to educate with a survey. McIntosh and Vileta explained that the information could be included in the questions. Another option would be to include an informational piece as a bill insert and as part of the survey. The survey would be focused on the water infrastructure. Commissioner Hartman suggested that community forums may be more useful for feedback than a survey. President Julsrud said that we could do 20 meetings across the city and get maybe 150 people to attend. Commissioners Bruggeman and Hartman both thought that it was too late to do a survey.

Updates from staff

The water tower near Arlington is taking shape. It should be built by the end of July. The tank at Canal Park is 95% done. The roof is about a third done. This is an 8M gallon tank.

Upcoming Council actions

The two-tier rate resolutions passed.

Agenda for next meeting

The next meeting will be on Wednesday, August 10, 2011, at 5:15 p.m. in City Council Chambers. The commission will first discuss what can be accomplished with various amounts of money. Then they will discuss the community education phase, including dates and locations of community meetings and who will attend these meetings besides Shaffer. President Julsrud would also like to discuss the possibility of extra DPUC meetings. The plan for the next few months is to educate the public and gather input. The commission will plan to vote on capital rates in January and discuss conservation rates in the spring.

Adjournment: The meeting was adjourned at 7:16 p.m.

A recording of this meeting is available upon request.