

DULUTH PUBLIC UTILITIES COMMISSION

Meeting Minutes

April 13, 2011

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

Staff Present: Bob Asleson, Leanna Gilbert, Steve Lipinski, Sandy Mass, Cari Pedersen, Eric Shaffer, Glenn Strid

Members Absent: Patrick Huston

Call to Order: The meeting was called to order at 5:15 p.m. by President Julsrud.

Approval of previous meeting minutes

I&I guidelines amendment resolution

Commission members voted to move Councilor Stauber's I&I guidelines amendment proposal ahead of old business. Councilor Stauber outlined his recommendations. Steve Lipinski and Sandy Mass showed videos of I&I examples. There was some discussion as to the necessity of the resolution as well as its contents. City staff explained the current I&I program guidelines. The City is required to do 175 laterals and 630 sump pumps each year to meet the requirements of the Consent Decree. An estimated 800,000 gallons of I&I was removed from the system in one particular storm by lining 103 laterals in Basin 2 last year. City staff will incorporate some of the recommendations and then meet with Councilor Stauber for further discussion.

Old business:

Commissioners agreed to table old business topics.

New business:

Direction for proceeding

President Julsrud provided a list of suggestions for how the commission should proceed with educating the public about the water system. Eric Shaffer will put together a PowerPoint presentation. Commissioners will review the draft presentation at the next meeting. Commissioners discussed having Eric's presentation go to the media. Community discussions would follow so that the public could be a part of the process. President Julsrud suggested rolling out the changes to the rate structure and the capital plan at the same time with a tentative goal of January 2012.

The Clean Water Surcharge is scheduled to decrease from \$8.78 to \$5.57 at the end of 2012. Commissioner Fosle suggested taking the \$3.21 difference (about \$1M total per year) and using it for water mains. Eric Shaffer explained that the City would have to simultaneously reduce the Clean Water Surcharge and increase the water rate. There would be no net change in the utility bills, but the money would go to the right fund. Commissioner Sellner inquired about a high elevation fee. Eric Shaffer explained that customers at high elevations used to be charged more due to the extra costs of pumping the water to them. There are still a few commercial customers being charged this fee. Commissioner Sellner also suggested charging according to distance from the source. City staff will look into the history of the high elevation fee.

Timeline

This item was tabled until the next meeting.

Updates from staff

The commission's website will go live soon. President Julsrud would like to have maps of the utility systems on the website, except for the gas system. Meeting minutes will be available on the website.

The 16" gas main relocation, which is part of the I-35 project, was delayed due to a valve that was damaged in shipping. The valve was sent back, fixed, and reshipped. It will hopefully be installed this week. About 40% of the city's gas flows through this main. It will be shut off around April 20th to make the connection. MNDOT requested the relocation and is paying for it.

The Great Lakes Regulator Station is being updated so that all city gas will eventually be able to flow through one pipeline. Various pipes will also need to be updated before the entire city could be fed from one source.

Gas prices should be relatively stable in the next years due to the availability of shale gas and the capacity for storage gas.

Eric Shaffer started a program to replace steel gas mains. This will probably cost around \$350,000. This will keep the gas utility from becoming like the water utility.

Upcoming Council actions

No upcoming actions were discussed other than the resolution to amend the I&I guidelines that was discussed previously.

Agenda for next meeting

The next meeting will be on Wednesday, May 11, 2011, at 5:15 p.m. The commission will review Eric Shaffer's draft presentation and discuss options for a water conservation rate. Councilor Hartman suggested the commission meet in a larger room so that there would be enough room for the public to attend. City staff will look into finding a larger place to meet.

Adjournment: The meeting was adjourned at 6:51 p.m.

A recording of this meeting is available upon request.