

DULUTH PUBLIC UTILITIES COMMISSION

Meeting Minutes

May 11, 2011

Members Present: Councilor Patrick Boyle, Councilor Daniel Hartman, Patrick Huston, Jennifer Julsrud, Linda Sellner

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Howard Jacobson, Eric Schlacks, Glenn Strid

Members Absent: John Bruggeman, Councilor Jay Fosle

Call to Order: The meeting was called to order at 5:22 p.m. by President Julsrud.

Approval of previous meeting minutes

Old business:

Water conservation rate

Commissioners and staff discussed the pros and cons of the no fixed rate scenario. Some of the advantages mentioned were: 1) it would be an economic incentive to conserve water, and 2) it would give users a sense of control. Some of the disadvantages mentioned were: 1) there are fixed costs regardless of how much water is actually used by an individual, "snowbirds" would essentially be subsidized, 2) the rates would be higher than they are now for larger families and some small businesses, and 3) this may result in more frequent rate increases.

Commissioners also discussed a multi-tier rate structure. A three- to five-tier rate structure would better promote water conservation. A two-tier rate structure would place us in compliance with state law with less impact on user rates.

Clean water surcharge transfer

Commissioners reviewed information on the clean water surcharge and discussed how best to change the use to water capital projects. Bob Asleson will research whether the commission can amend the ordinance.

New business:

2-tier gas rate- Fond du Lac and northern expansion

Eric Schlacks presented a proposal to expand city gas to Fond du Lac, northern Duluth, and Rice Lake Township. Phase 1 of this project would be to extend gas mains 1,000 feet up Howard Gnesen Road. City staff would like to start the project this summer if the commission will agree to it. There are still other areas within the city that do not have access to natural gas. City staff will draft a resolution for the commission to vote on at the next meeting.

Eric's draft presentation

Commissioners will look over Eric Shaffer's draft presentation and discuss it at the next meeting.

Timeline

The commission will decide on a timeline for public education at the next meeting and set some goals. The League of Women Voters has offered to help with the public education process.

Meeting room

Commissioners agreed to meet in the Council Chambers whenever it is available. Article IV, Section I of the bylaws was amended to read: "Regular meetings shall be the second Wednesday of the month at 5:15 p.m. in Council Chambers or at another location in City Hall, the location of which is posted on the door of Council Chambers for at least one hour prior to time of such regular meeting. Special and emergency meetings may be called with notice according to law." Council Chambers was not available on July 13 and October 12, so the commission will meet in the Mayor's Reception Room, City Hall Room 404, on those dates.

It is the mission of the Duluth Public Utilities Commission to ensure safe, reliable, efficient utilities services at reasonable rates.

Updates from staff

Glenn Strid gave an update on the Public Works & Utilities draft final expenditures for 2010. Four of the five funds are in good shape. The cash balance for the water fund is about \$800,000 lower than Glenn would like. City staff has cut \$700,000 of water relining this year.

Commissioner Sellner inquired about the MS4 permit which is due to be reissued soon. Gary Minck, Stormwater Project Engineer, would be able to provide information on this topic.

Upcoming Council actions

No upcoming actions were discussed.

Agenda for next meeting

The next meeting will be on Wednesday, June 8, 2011, at 5:15 p.m. in Council Chambers. The commission will discuss the Fond du Lac and northern expansion proposal, review Eric Shaffer's draft presentation, and discuss a timeline for public education.

Adjournment: The meeting was adjourned at 7:40 p.m.

A recording of this meeting is available upon request.