

DULUTH PUBLIC UTILITIES COMMISSION

Meeting Minutes

August 10, 2011

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

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

Members Absent: Councilor Jay Fosle, Patrick Huston

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

Approval of previous meeting minutes

Old business:

Prepare for press conference

The press conference will tell about the public meetings that will be held around the city and should include a brief message about the problems with the water system. All of the commissioners should try to attend. President Julsrud should be a speaker as well as a councilor. Staff should be present to answer questions. The Mayor may also want to attend if he is available. Commissioner Hartman suggested having a big map showing all of the bad water pipes in the city. He also wanted to have examples of old pipes and new pipe available for this and for the community meetings. Staff will provide these. Commissioners agreed to hold the press conference at 10:00 a.m., Wednesday, August 31st, at the Lakewood Treatment Plant. Arrangements will be made through the City Communications Office to contact the press.

New business:

Rates for Northern Expansion

Commissioners voted to approve establishment of a second tier rate of \$0.23 per hundred cubic feet of natural gas for the Northern Expansion and Fond du Lac areas.

Community education phase

The main goals of the public meetings will be to inform and to gather opinions. At least one commissioner should be present at each meeting along with some staff. Definitions of the various utilities should be included in the presentation as well as information on rate changes for various dollar amounts (to include a bare minimum and a high target). These meetings will be held in the fall at community centers or other meeting places across the city. President Julsrud will send a list of locations to Jim Benning so he can start scheduling them. Benning will bring a list of dates to the September meeting so the commissioners can decide who will go to each meeting. Howard Jacobson reminded commissioners not to focus only on water mains. It is a water system which includes pipes, pumping stations, and a treatment plant.

PFA grant status

The state sent \$20M to the PFA. Duluth had the top three projects for wastewater: (1) CIPP lining in Basin 2 is a \$2.5M project, (2) the upgrade of pumps and forcemains for lift station 45 (52nd & Dodge) is a \$2M project, and (3) sanitary sewer replacement in Riverside is a \$2M project (only the sewer part is eligible for a PFA grant). The funding for these projects will be 80% grant and 20% PFA loans with payments made from the clean water fund. There is no guarantee we have the money until the projects are bid and the paperwork is signed with the state, but it is essentially reserved for us. Reducing the clean water surcharge will no longer be a concern with these grants.

Updates from staff

City staff submitted the month end cash positions for the utilities. The decreases are due to a change in accounting procedures authorized by the City Auditor. Utility portions of PI project costs are now being paid up front instead of when the projects are closed out.

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

Howard Jacobson presented a draft ordinance for third party damage penalties for multiple gas hits. The City currently charges for labor and materials resulting from hits. Contractors say it is cheaper to pay for the recovery costs than it is to get locates. One contractor has hit seven times on one project. Three of these were missed locates but four were their fault. Commissioners suggested charging full service costs to include police and fire services in addition to penalties, adding revocation of bid qualification after a certain number of hits, and referencing the call before you dig law in the ordinance. Bob Asleson will draft an official ordinance for this.

The water plant has been having problems with filters for the last couple of months. The filter systems are supposed to be automated. Three of the five control panels are broken so the operators have to work them manually. There is concern for the operators' safety as well as potential damage to the filters. Staff is planning to rebuild the controls for about \$150,000. The money will probably be borrowed from the gas fund. The plan is to redesign the whole system with new components and digital gauges and controls. This will take at least six months to complete.

Upcoming Council actions

Councilor Stauber will be bringing resolution 11-0426R to the council. This is a resolution to amend the guidelines for the private sewer service grant program. City staff does not support this resolution. The existing program has been very successful and City staff would prefer not to change it at all. It is estimated to have reduced I&I volume in Basin 2 by 800,000 gallons for one specific model storm. Section 1 of the resolution would require televising of laterals. The goal is not to find holes in the pipe but to find water coming into the pipe. Putting a camera in the pipe is also a problem. 90% of older homes in Duluth have house traps which a camera cannot be sent through. The house trap would have to be removed or the City would have to buy a launch camera that could be launched from the main up the pipe. These cameras cost \$80,000 each and we would probably need two. Section 2 would allow for spot repairs of laterals. A leak will just move to another place on the pipe unless it is totally replaced. The camera would likely get stuck in roots in the pipe, and then we would have to dig up the yard to get the camera out. Section 5 poses a problem as it would be impossible to put a flow meter into a 6" pipe underneath the street. There is also the issue of varying amounts of precipitation during each rain event as well as various other problems. Eric Shaffer and Bob Asleson will be at the agenda session to address these issues. The majority of the commissioners did not want to weigh in on this matter.

Commissioner Hartman mentioned another upcoming resolution regarding sump pump discharges. Councilor Stauber would like those who have sump pumps to be told to put additional pipe at the end of the discharge and that it should be a certain distance from the foundation of the house. Also, he would like them to be informed that it is illegal to route the discharge back into the sanitary sewer. Staff could send out a mailer or a bill insert with this information.

Agenda for next meeting

The next meeting will be on Wednesday, September 14, 2011, at 5:15 p.m. in City Council Chambers. The commission will discuss the community education phase.

Adjournment: The meeting was adjourned at 6:43 p.m.

A recording of this meeting is available upon request.