



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Minutes - Draft

Duluth Public Utilities Commission.

Tuesday, July 21, 2020

5:15 PM

Council Chambers, City Hall, 411 West First Street

NOTICE OF PUBLIC MEETING: The Duluth Public Utilities Commission will hold a public meeting by electronic means regarding proposed stormwater rate increases to fund the capital costs of improvements to the City's storm sewer system on Tuesday, July 21, 2020 at 5:15 p.m. The purpose of this public meeting will be to discuss the current state of the stormwater utility, to explain the proposed changes to the stormwater rates, and to receive comments from the public regarding the proposed changes.

THE MEETING: The public meeting will be held at the commencement of the regular Commission meeting, which will be held by "other electronic means" pursuant to Minnesota Statutes Section 13D.021 in response to the COVID-19 emergency. Some members of the Board will be participating through video conference.

PUBLIC PARTICIPATION/PUBLIC COMMENT: Due to the COVID-19 emergency and the limitation on the use of City facilities, the meeting will be in a virtual, electronic format and not in a personal, public format, and public comment will not be taken in person. However, members of the public can monitor the meeting and provide public comment on the proposed rate increase and on other agenda items through WebEx Events. Go to <https://duluthmn.gov/live-meeting> to access the meeting. The presentation that will be given at the public meeting pertaining to the stormwater rate increase will be posted on the Commission's webpage, <https://duluthmn.gov/boards-commissions/duluth-public-utilities-commission/>, for public viewing prior to the meeting. The public is also encouraged to submit written comment to jbenning@duluthmn.gov prior to the meeting. Please include "July 2020 DPUC Agenda" in the subject line, and include your name and address and the agenda item you are speaking to. The Commission's agenda can be found online at <https://duluthmn.gov/boards-commissions/duluth-public-utilities-commission/>. Please note that all public comment is considered Public Data.

CALL TO ORDER

President Ryan called the meeting to order at 5:15 p.m.

ROLL CALL

Members Present: Chris McIntosh, Councilor Derek Medved, Rob Prusak, Carrie Ryan, Councilor Joel Sipress; Councilor Gary Anderson arrived at 5:16 p.m.

Staff Present: Leanna Gilbert, Greg Guerrero, Tom Johnson, Chris Ostern, Eric Shaffer, Kerry Venier

STORMWATER RATE INCREASE PUBLIC MEETING

The Commission held a public meeting regarding proposed stormwater rate increases at the commencement of the regular meeting. Tom Johnson gave a presentation on the stormwater utility. President Ryan read emails that had been received from Pamela Toland of 414 W Winona Street and Joseph Kleiman of 1934 London Road. No other citizens had questions or comments. The public meeting concluded at 5:36 p.m.

PUBLIC COMMENT PERIOD

No citizens had comments at this time.

APPROVAL OF MINUTES

[DPUC021](#) June 16, 2020 DPUC meeting minutes draft

Indexes:

Attachments: [06162020 DPUC meeting minutes draft](#)

Commissioner Prusak motioned to approve the minutes, and the motion was approved unanimously.

UNFINISHED BUSINESS

Stormwater system discussion

Commissioners and staff discussed meetings that were held with the Chamber of Commerce and the Duluth News Tribune Editorial Board. Other than the two emails received and read during the public meeting, no other citizens have made comment. Commissioner Anderson had questions about the stormwater inspection program and proposed commercial discounts. President Ryan asked about next steps. Eric Shaffer said that the next step would be to have a public hearing, which is usually held at the beginning of a regular meeting. Commissioner Anderson motioned to hold the public hearing at the August 18 meeting, and Commissioner Sipress seconded the motion. After some discussion, the motion was approved unanimously. Staff will prepare a rate resolution for the August meeting, and the Commission may vote on it at that meeting or table it until September.

UPDATES FROM STAFF

Eric Shaffer reported on utility projects including Superior Street, Second Street water main, Decker Road utilities, Lower Michigan gas main relocation, and Lift Station 15. Commissioner Anderson asked about the work starting soon at the intersection of Snively and Glenwood. President Ryan stated that this is for culvert replacement. Eric Shaffer stated that there is a gas main going over one of the culverts that we will need to remove and then replace. President Ryan asked if construction has been interrupted at all by COVID-19. Eric Shaffer is not aware of any City projects that have been interrupted to date.

UPCOMING COUNCIL ACTIONS

No upcoming actions were mentioned. The City Council is going on break for about a month.

COMMISSIONER QUESTIONS OR COMMENTS

Commissioner Prusak asked about the recent rain events. Eric Shaffer responded that we have not had to divert anything to storage.

President Ryan stated that her job at MN Power is purchasing fuel mostly for generation facilities. The City has been in discussion with MN Power regarding the Hibbard facility which is attached to Verso. President Ryan has been involved with discussions on process and infrastructure in regards to natural gas for Hibbard. She is not involved in any negotiations for pricing for gas or anything financial. Commissioner Sipress suggested that President Ryan contact the City Attorney's office if she is ever concerned about having a conflict of interest.

Commissioner Sipress asked about budget shortfalls in the utilities. Kerry Venier stated that the shortfalls are mainly in those utilities where consumption is a factor, mainly in the gas fund. We had a fairly mild spring, so people weren't burning gas. We are expecting a decrease in revenues in the water fund in large part because of the Verso shutdown and also because of the shift in consumption. We saw a big decrease in commercial usage, but a big increase in residential usage. We have adjusted our expenses in the water utility by decreasing capital spending, and there are also reduced operating costs. For the gas utility, the decreased consumption is balanced by lower purchased gas costs.

PREVIEW OF UPCOMING BUSINESS

The next regular meeting is scheduled for Tuesday, August 18, 2020 at 5:15 p.m. A public hearing will be held in conjunction with the regular August meeting. Staff will prepare a stormwater rate resolution for the August agenda. Staff will also be working on utility budgets for next year, which will also be on upcoming agendas.

KNOWN ABSENCES FOR FUTURE MEETINGS

No absences were mentioned at this time.

ADJOURNMENT

The meeting was adjourned at 6:04 p.m.