



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Minutes - Draft

Duluth Public Utilities Commission.

Tuesday, October 18, 2022

5:15 PM

Council Chambers, City Hall, 411 West First Street

CALL TO ORDER

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

ROLL CALL

Members Present: Andrea Crouse, Councilor Noah Hobbs, Steve Lipinski,
Councilor Mike Mayou, Carrie Ryan

Members Absent: Chris Adatte, Councilor Terese Tomanek

Staff Present: Jim Benning, Cyndi Falconer, Leanna Gilbert, Greg Guerrero, Chris
Ostern, Eric Shaffer, Kerry Venier

PUBLIC COMMENT PERIOD

[DPUC095](#) Gary Lane comment received 10182022

Indexes:

Attachments: [Gary Lane comment received 10182022](#)

Written comment was received from Gary Lane, President of Walsh Building
Products located at 6430 Grand Avenue.

APPROVAL OF MINUTES

[DPUC087](#) August 16, 2022 DPUC meeting minutes draft

Indexes:

Attachments: [08162022 DPUC meeting minutes draft](#)

Commissioner Hobbs motioned to approve the August 16, 2022 meeting minutes,
and the motion was approved by all present.

UNFINISHED BUSINESS

[DPUC088](#) 2023 proposed utilities budget

Indexes:

Attachments: [2023 PUC Budget Presentation WIP Updated 8-30-22](#)

Kerry Venier stated that there were no changes to the proposed budget since August.

NEW BUSINESS

[DPUC089](#) 22PUC-003 - RESOLUTION APPROVING AND RECOMMENDING 2023 UTILITY BUDGET.

Indexes:

Attachments: [22PUC-003 approving 2023 budget](#)

President Ryan motioned to approve resolution 22PUC-003 approving and recommending the 2023 utility budget, and the motion was approved by all present.

[DPUC090](#) Revised ERU value

Indexes:

Attachments: [Revised ERU value memo to DPUC 09132022](#)
[SEH Memo RE ERU Study 2021 08042022](#)

Eric Shaffer gave an overview of the ERU study done by SEH which determined a weighted average of 2,228 square feet. President Ryan asked about the impact to the budget. Kerry Venier replied that our 2023 budget was based on an ERU value of 2,500. Staff anticipates implementing the new ERU value in January or after all properties have been corrected. Commissioner Crouse asked about the possibility of additional tiers for small residential properties. There was some discussion about this topic. Commissioners would like staff to research what other communities have done regarding this. President Ryan requested a refresher on how the rates are distributed for commercial and industrial customers.

[DPUC091](#) 2023 proposed utility fees

Indexes:

Attachments: [2023 Fees](#)

Jim Benning gave a brief explanation of the proposed fee amounts and answered questions from commissioners.

[DPUC092](#) 22PUC-004 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.

Indexes:

Attachments: [22PUC-004 2023 utility fees](#)

Commissioner Hobbs motioned to approve resolution 22PUC-004 establishing 2023 utility fees, and the motion was approved by all present.

Lead services replacement update

Cyndi Falconer reported that all four of our projects totaling \$10M made the list for the Public Facilities Authority. The State still needs to pass some legislature in order to release some of the funding, but we are moving forward with our plans. Four consultants have been hired and are creating those plans for projects in Lincoln Park and Gary New Duluth. We mailed 4,752 annual lead notification letters. We are continuing to add to the lead services inventory as more services are identified. We rolled out the pitcher program, and we have distributed about 500 so far. There will be a public outreach event at the Salvation Army next week. President Ryan asked about the 8th Street project. Eric Shaffer reported that 16 services have been replaced since they started phase 2 of the project. The contractor is using directional drilling. Commissioner Mayou asked about the annual notification letter that was sent out and the vouchers for pitchers. Cyndi Falconer responded that residents can bring the letter to Garfield to get their pitcher.

UPDATES FROM STAFF

Jim Benning reported that the City was awarded almost \$8M in grant money for resiliency at the Water Treatment Plant. These funds will be for generators, transformers, and other associated electrical components. Eric Shaffer reported on various utility projects, including Hidden Valley water main, the gas blanket project, and Michigan Street.

COMMISSIONER QUESTIONS OR COMMENTS

Commissioner Crouse mentioned that the City received an award for drinking water. Jim Benning stated that we received the Best in Glass award for the best drinking water in the state.

Commissioner Mayou is super excited to hear about the progress in Hidden Valley. He asked if there would be any improvements to the street surface for the Michigan Street project. Eric Shaffer replied that the project was strictly for underground utilities. The street will be restored back to the way it was.

UPCOMING COUNCIL ACTIONS

No upcoming actions were mentioned.

PREVIEW OF UPCOMING BUSINESS

The next regular meeting is scheduled for Tuesday, November 15, 2022 at 5:15 p.m. Staff would like to review the water utility next year, since the multi-year rate increase will end in 2023. The Commission will decide whether to hold the regular December meeting.

KNOWN ABSENCES FOR FUTURE MEETINGS

No absences were mentioned.

ADJOURNMENT

The meeting was adjourned at 5:44 p.m.