



City of Duluth

411 West First Street
Duluth, Minnesota 55802

Minutes - Draft

Duluth Public Utilities Commission.

Tuesday, February 18, 2020

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: Councilor Gary Anderson, Howard Jacobson, Chris McIntosh, Councilor Derek Medved, Rob Prusak, Carrie Ryan, Councilor Joel Sipress

Staff Present: Bob Asleson, Jim Benning, Todd Carlson, Leanna Gilbert, Ryan Granlund, Greg Guerrero, Tom Johnson, Glenn Strid, Kerry Venier

PUBLIC COMMENT PERIOD

No citizens were present for comment.

APPROVAL OF MINUTES

[DPUC009](#) January 21, 2020 minutes

Indexes:

Attachments: [01212020 DPUC meeting minutes draft](#)

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

UNFINISHED BUSINESS

Stormwater system discussion

[DPUC010](#) MPCA Water Fees Rule Concept Document

Indexes:

Attachments: [Water Fees Rule Concept Document](#)

Tom Johnson stated that the MPCA is proposing an increase in Municipal Separate Storm Sewer Systems (MS4) permit fees. Duluth's permit would go from \$400 every five years to \$12,000 per year. Our next permit, which is issued every five years, is in comment period as well, and they tend to increase requirements for the City each time. This will require more tasks and more staff time to meet

permit regulations. Todd Carlson estimates that this change will take place in the next one to three years, depending on the comments they receive. The proposed rule change is in the comment period until March 13. City staff will be submitting comments probably requesting phasing in the increased fees. Commissioner Jacobson asked about grants and loans for permit holders. Todd Carlson said that they had not talked too much about that. Commissioner Sipress motioned to submit a comment stating that the Duluth Public Utilities Commission supports the MPCA in seeking additional resources for improved enforcement of Minnesota clean water standards, but urges the MPCA, as part of this process, to identify additional resources that can be provided to communities to meet these heightened enforcement expectations. The motion was seconded by Commissioner Medved and approved unanimously. Staff will prepare and submit this comment to the MPCA before the deadline.

[DPUC013](#) Stormwater utility billing examples

Indexes:

Attachments: [PUC - Stormwater Utility Billing Examples Feb 2020](#)

Tom Johnson provided billing examples of five non-residential customers showing their bill amount at their current rate and potential increased rate. He also mentioned potential discounts that are available with the installation of Best Management Practices (BMPs). Vice President McIntosh asked about the discount table. Commissioner Anderson asked about ERUs. Tom Johnson explained that Equivalent Residential Units (ERUs) are our billing units and gave some history on how they are calculated. There was some discussion about rate scenarios and infrastructure life expectancies. Tom Johnson mentioned that storm billing recalculations are in progress now and should be mostly done this spring, and he would like to finish these prior to any rate increase. A handout of customers with usage of 100 ERUs and above was provided. Vice President McIntosh asked about the rate differences for various customers. Staff will look into those rates. Jim Benning will draft a potential timeline for the rate increase process. Tom Johnson mentioned that we should also consider adjusting non-residential waterfront properties. President Ryan requested a list of rate anomalies. Commissioner Sipress requested examples of what waterfront properties would be paying versus what they pay currently.

NEW BUSINESS

Sanitary Sewer rate adjustment

[DPUC011](#) Sanitary sewer rate adjustment

Indexes:

Attachments: [2019 WLSSD Year End Adjustments Memo](#)
[2020 Sanitary Rate Increase Table](#)

Jim Benning explained that the Commission passed a resolution years ago making WLSSD treatment charges a pass-through, so sanitary sewer variable rates are automatically adjusted up or down depending on these charges. Glenn Strid mentioned that there was a credit from WLSSD last year resulting in a 1% rate decrease. This year there are additional charges resulting in a 2.9% rate

increase across all customer rate classes. We will be paying \$9.7 million in treatment and testing charges in 2020.

UPDATES FROM STAFF

Jim Benning reported that there will probably be an appeal next month regarding water usage. Ryan Granlund gave an update on Park Point sewer overflows and the lining project.

UPCOMING COUNCIL ACTIONS

No actions were mentioned. Council will need to approve a new commissioner in the next couple of months. Jim Benning will ask if there are any current applicants.

COMMISSIONER QUESTIONS OR COMMENTS

There were no further questions or comments at this time.

PREVIEW OF UPCOMING BUSINESS

The next regular meeting is scheduled for Tuesday, March 17, 2020 at 5:15 p.m. in City Council Chambers. The Commission will continue to discuss the stormwater utility.

KNOWN ABSENCES FOR FUTURE MEETINGS

President Ryan will not be able to attend the March meeting.

ADJOURNMENT

The meeting was adjourned at 6:34 p.m.