

RESOLUTION NO. 22PUC-002

RESOLUTION ESTABLISHING THE CUSTOMER CHARGE AND USER CHARGES FOR THE CITY'S WASTEWATER FACILITIES EFFECTIVE WITH METER READINGS AFTER JANUARY 1, 2023; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES.

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that the Commission hereby makes the following Findings of Fact:

- 1.) The City's sanitary sewer utility system infrastructure, taken as a whole, is badly deteriorated and much of it needs to be replaced.
- 2.) A large part of the City's sanitary sewer utility system infrastructure is in excess of 80 years old or more and has exceeded its expected useful life.
- 3.) At least \$2.5 Million needs to be invested annually in sanitary sewer-related capital projects in order to maintain the system's ability to serve the needs of the City over the long term in addition to the annual automatic rate adjustments for WLSSD sewage treatment charges as allowed by 11PUC-WLSSD.
- 4.) It is necessary to increase sanitary sewer rates charged by the City to provide funds for the needed upgrading and improving of the City's sanitary sewer utility system.

RESOLVED FURTHER, that pursuant to section 43-11 of the Duluth City Code, 1959, as amended, for the purpose of increasing the revenue of the sewer utility, there is established and shall be collected effective with the meter readings after January 1, 2023, customer charge and user charges for the calendar year 2023 and customer charges and user charges from and after January 1, 2024, all based upon the volume of wastewater discharged to the city's wastewater facilities system and determined as in Section 43-7 of the Duluth City Code, as follows:

	Existing Rate	Effective January 1, 2023	Effective January 1, 2024
Customer charge	\$5.89/month	No change	No change
User charge - Class I	\$6.17/ccf	\$6.39/ccf	\$6.61/ccf
User charge - Class II	\$8.57/ccf	\$8.87/ccf	\$9.18/ccf
User charge - Class III	\$10.55/ccf	\$10.92/ccf	\$11.30/ccf
User charge - Class IV	\$16.89/ccf	\$17.48/ccf	\$18.09/ccf
User charge - Class IX	\$3.71/ccf	\$3.84/ccf	\$3.97/ccf

RESOLVED FURTHER, that said rates shall continue to be adjusted annually as provided for in 11PUC-WLSSD; and

FURTHER RESOLVED, any prior rates inconsistent or conflicting with the rates set forth herein are hereby superseded.

Approved by the DPUC: _____
(date)

Submitted to City Council: _____
(where appropriate) (date)

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

This resolution approves a 3.5% rate increase for the portion of the City's sanitary sewer rate structure for calendar year 2023 and a second increase for calendar year 2024 based on volume of usage. The fixed rate customer charge would remain unchanged. These increases are necessary to fund \$1.0-\$1.2M in improvements to two major pumping stations and to fund approximately \$1.5M annually in sewer lining costs. This does not include the automatic rate adjustments to reflect sewage treatment charges imposed by WLSSD as allowed by resolution 11PUC-WLSSD.