

RESOLUTION NO. 15PUC-008

RESOLUTION ESTABLISHING USER CHARGES FOR THE CITY'S STORMWATER UTILITY EFFECTIVE AS OF JANUARY 1, 2016; 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 has historically incurred capital costs, debt service costs, operating and maintenance costs for the creation and maintenance of a stormwater utility system which benefits all properties and property owners in the City and continues to incur these costs on an ongoing basis.
- 2.) Pursuant to Chapter 43 of the Code, the City has established a stormwater utility for the purpose of constructing, operating and maintaining the City's storm sewer system and has provided for a stormwater utility charge to fund the expenses thereof.
- 3.) Although the costs of constructing, operating and maintaining the City's stormwater utility system have continued to increase every year, the current stormwater utility fee was established as of January 1, 2008, and has not been increased since that time to reflect the increasing costs incurred by the City.
- 4.) It is necessary and reasonable to increase the stormwater utility fees as provided for below to fund the increased costs to the City's stormwater utility.

RESOLVED FURTHER, that pursuant to Section 43-66 of the Duluth City Code, 1959, as amended, for the purpose of increasing the revenue of the stormwater utility, there is established a user charge as provided in said ordinance effective January 1, 2016. The user charge rate shall be based upon equivalent residential units (ERU = 1,708 impervious square feet) per month, as follows:

Rate Class	Units	Effective January 1, 2008	Effective January 1, 2016
ERU - Commercial/Industrial	1 st ERU	\$6.08	\$6.75
	> 1 ERU	\$6.08	\$6.75
ERU-R - Residential, Single Family Home	1st ERU	\$6.08	\$6.75
	> 1 ERU	\$6.08	\$6.75
ERU-R - Residential, Duplex and Triplex	1st ERU	\$6.08	\$6.75
	> 1 ERU	\$5.33	\$6.00
ERU-A - Multi-Family, 1-4 Floors	1st ERU	\$3.9480	\$4.35
	> 1 ERU	\$3.1980	\$3.60
ERU-B - Multi-Family, 5-9 Floors	1st ERU	\$3.6815	\$4.05
	> 1 ERU	\$2.9315	\$3.30

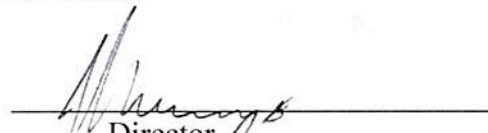
ERU-C - Multi-Family 10+ Floors	1st ERU	\$3.4150	\$3.75
	> 1 ERU	\$2.6650	\$3.00

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

Approved by the DPUC: Nov. 17, 2015
(date)

Submitted to City Council: Nov. 18, 2015
(where appropriate) (date)

ATTEST:



Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

The purpose of this resolution is to authorize an increase in the monthly stormwater utility rates effective January 1, 2016.

The City has not increased the stormwater utility fee since January 1, 2008. This rate increase of approximately 11% is necessary to fund increased capital, maintenance and operating costs. The proposed increase for the average homeowner will be \$8.04 per year.