

RESOLUTION NO. 22PUC-001

RESOLUTION AMENDING 13PUC-014 AUTOMATICALLY INCREASING OR DECREASING SANITARY SEWER RATES TO REFLECT SEWER CHARGES IMPOSED BY WLSSD FOR COST OF TREATING CITY'S SANITARY SEWER DISCHARGES TO THE WLSSD SYSTEM AS OF MARCH 1, 2022.

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that Resolution 13PUC-014 is hereby amended to read as follows:

1. The purpose of this resolution is to set forth the mechanism for adjusting the City's sanitary sewer rates in response to the "District Charges" as defined below as that information is received from the WLSSD.
2. The following words and phrases shall have the meanings hereinafter ascribed to them:
 - A. District: shall mean the Western Lake Superior Sanitary District.
 - B. District charges: That portion of the City's sanitary sewer rates charged to individual users of the City's sanitary sewer system which reflects the District's charges to the City for all costs of the District associated with accepting and processing the sewage collected by the City and sent to the District for treatment for any year.
 - C. Final Budget Amount: shall mean the Initial Budget Amount for any year increased or decreased by an amount sufficient to amortize the Reconciliation Amount from the prior year and by an amount to reflect the District's actual anticipated costs of accepting and processing the sewage collected by the City and sent to the District for the current year.
 - D. Initial Budget Amount: shall mean the amount of the District Charges budgeted to be charged to individual users for the next budget.
 - E. Reconciled Amount: shall mean the amount of the District Charges for the prior year supplied to the City by the District to reflect the District's actual costs of accepting and processing the sewage collected by the City and sent to the District for treatment for the prior year.
3. Effective as of March 1, 2022, the sanitary sewer rates to be charged to users of the City's sanitary sewer system shall be determined as follows:
 - A. Upon receipt of the District's estimate of the District Charges to the City for the coming year, the DPUC shall determine the amount to be charged to users in the coming year based on the City's budgeted costs of maintaining and operating its sanitary sewer system for the next budget year as adjusted by the City's Final Budget Amount for the current year and the Initial Budget Amount for the next budget year.
 - B. The City's sanitary sewer charges for the current year, commencing on January 1st of said year, shall be the sum of the City's budgeted costs of maintaining and operating its sanitary sewer system as adjusted by the City's Final Budget Amount for the current year and the Initial Budget amount until the City receives the Reconciliation Amount from the District.

- C. Upon receipt of the Reconciliation Amount in said year, the Final Budget Amount for the current year shall be determined.
 - D. Upon determination of the Final Budget Amount, the City's sanitary sewer charges for the remainder of said year shall be based on the City's budgeted costs of maintaining and operating its sanitary sewer system and the Final Budget Amount.
4. The rates established pursuant to Paragraph 3D above shall be effective immediately upon their determination.

Approved by the DPUC: _____
(date)

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

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

The purpose of this resolution is to modify the automatic sanitary sewer rate adjustment provisions adopted by the PUC pursuant to resolution No. 13PUC-014 to adjust for both increases and decreases occasioned by WLSSD's charge modification system.