

Leanna Gilbert

From: Gary Moline <gmoline@moline.com>
Sent: Wednesday, August 18, 2021 10:22 AM
To: Leanna Gilbert
Cc: Jim Benning
Subject: FW: 8/17/21 Meeting Follow-up
Attachments: 19980511_Article XI. Stormwater Utility System..pdf; WaterFront Properties - Storm Billing Levels Comparison 12-15-2020.pdf

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Categories: PUC

Leanna—I am forwarding this email and attachments directly to you for circulation per direction from Jim Benning. Thank you

From: Gary Moline
Sent: Wednesday, August 18, 2021 9:17 AM
To: Jim Benning <jbenning@DuluthMN.gov>
Subject: 8/17/21 Meeting Follow-up

Mr. Benning—please circulate to commissioners and add this email to the minutes from last night's meeting. I participated via Webex, but technical difficulties disrupted my ability to talk and limited interaction. Thank you.

Commissioners—thank you for the opportunity to speak at your meeting last night. There were some technical problems during the meeting so I wanted to insure the points I made are properly considered and entered into the record.

1-Article XI-Stormwater Utility System -of the City Code is attached for your review. It addresses many of the questions raised at last night's meeting.

2-The characterization by Mr. Shaffer that the ERU is flexible and can be prorated is just incorrect. It was incorrectly computed when last reviewed in 1997 by including multifamily units reducing the value. Duluth City Code is crystal clear on this that an ERU is calculated from a single, independent dwelling unit (Sec. 43-65). The current calculation of the ERU by SEH appears to be done correctly based on single family residences. Sec 43-66 (b.2). The utility fee for nonresidential property shall be **THE ERU** rate multiplied by the numerical factor obtained by dividing the total impervious area for a nonresidential property by one ERU.

3-The description and impression of the new ERU at 3099 sq ft as very high is false and not consistent with the data. It is nearly exactly the same as Superior and remains much lower than Cloquet, Hermantown, Bemidji and nearly every similar community in Wisconsin cited in the SEH report.

4-Sec. 43-66 (a) states that **utility fees shall Apply to all property in the city of Duluth**. We know this is still not the case nor have waterfront businesses invested in BMP to obtain credits higher than available to businesses like Moline (we have invested in BMP). This is a primary reason for the high rate increases and financial burden being placed on fewer participants.

5-43-66 (d) states the ERU value for the City should be ***recalculated every five (5) years!*** 1708 sq ft per ERU was calculated in 1997 and has been used as the basis for stormwater billing to nonresidential customers for 24 years. Businesses like Moline that have been paying in to the utility have clearly been overcharged for many years.

Tabling the decision to obtain a legal opinion on applying a pro rata ERU is not supported by City Code. Moline and a coalition of Duluth businesses have also retained legal counsel and are now positioned to pursue this.

It is not complicated—immediately apply the correct ERU to nonresidential billing and properly bill those not paying in so rates can remain fair to all users-residential and nonresidential. Business besides tourism does matter and I have offered other ideas such as a land use factor for large manufacturing property, similar to what Minneapolis does, as a way to recognize this important industry and the high paying jobs we offer. I have attached your own data of waterfront businesses as it offers more clarity on the revenue that should be in your budget. It looks like an easy \$500k can be raised by applying the new ERU to these businesses.

Thank you.

Gary Moline
President

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