

PUBLIC WORKS AND UTILITIES COMMITTEE

08-0774R

RESOLUTION ESTABLISHING WATER RATES EFFECTIVE WITH METER READINGS AFTER FEBRUARY 1, 2009; RESCINDING ALL PRIOR INCONSISTENT OR CONFLICTING RESOLUTIONS WITH RESPECT TO SUCH RATES.

CITY PROPOSAL:

RESOLVED, effective with the water meter readings after February 1, 2009, all customers of the water utility of the city of Duluth, whose water supply is measured by meter, shall be charged for such water in accordance with the schedule of rates established by this resolution as follows:

MONTHLY METERED VOLUME		
	effective February 1, 2009, rate \$/CCF	<del>effective November 1, 2006, rate \$/CCF</del>
first 4,000 cubic feet, per 100 cubic feet	\$2.56	<del>\$2.41</del>
next 96,000 cubic feet, per 100 cubic feet	\$1.67	<del>\$1.57</del>
next 900,000 cubic feet, per 100 cubic feet	\$1.39	<del>\$1.31</del>
over 1,000,000 cubic feet, per 100 cubic feet	\$1.15	<del>\$1.08</del>

For consumers requiring water at an elevation in excess of 290 feet above Lake Superior, the rate for all water in excess of 100,000 cubic feet per month shall be effective February 1, 2009, \$1.67 per 100 cubic feet.

FIXED CHARGES ARE AS FOLLOWS		
Meter size	effective February 1, 2009	
1 inch & under	\$ 3.50	(no change)
1-1/2 inch	\$ 6.13	(no change)
2 inch	\$ 10.50	(no change)
3 inch	\$ 38.50	(no change)
4 inch	\$ 49.00	(no change)
6 inch	\$ 73.50	(no change)
8 inch	\$101.50	(no change)
10 inch	\$133.00	(no change)

Water metered at or beyond the city limits, for use by individual customers located outside the corporate limits of the city of Duluth:

All water, per 100 cubic feet - \$3.87, effective February 1, 2009.

Rates charged for water furnished to political subdivisions or state or federal government installments located outside the corporate limits of the city will be by individual contract, using the following schedule of rates:

EFFECTIVE FEBRUARY 1, 2009	HERMANTOWN		PROCTOR		RICE LAKE	
first 100,000 cubic feet, per 100 cubic feet	\$3.04	no change	\$3.40	no change	\$2.70	no change
next 200,000 cubic feet, per 100 cubic feet	\$2.71	no change	\$3.00	no change	\$2.40	no change
over 300,000 cubic feet, per 100 cubic feet	\$2.44	no change	\$2.71	no change	\$2.16	no change

RESOLVED FURTHER, any prior rate resolutions inconsistent or conflicting with this resolution are hereby rescinded.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

PW&U/ATTY REA:blj 12/10/2008

STATEMENT OF PURPOSE: This resolution sets water rates effective with meter readings after February 1, 2009. The 6.1% rate increase to be authorized by this resolution will realize an estimate of \$519,400 in new revenue to meet rising costs of approximately \$268,000 for water treatment chemicals and \$251,400 for utilities.

The rates for Hermantown, Proctor and Rice Lake are unchanged because a previously conducted rate equity study had determined that the rates they are currently paying have exceeded their "fair share" of the city's costs.