



August 17, 2020

To: Duluth Public Utilities (DPU) Commissioners & Duluth City Councilors

From: David Ross, President, Duluth Area Chamber of Commerce

Re: **Chamber's Position Regarding Proposed Plan for Increasing Stormwater Rates**

The Chamber's leadership understands and appreciates how Duluth's stormwater system requires substantial capital reconstruction and replacement to provide for the safe and effective drainage of our City's stormwater. Additionally, I recall and appreciate how the DPU Commissioners and I have maintained a candid and productive dialog, regarding our city's stormwater system, since the stormwater utility rates were established in 1998.

Furthermore, we realize the Commissioners have honored our long-standing request to not force businesses to absorb unanticipated, large rate increases without being provided adequate time to plan for, and budget for, the increasing rates.

Jim Benning, and his colleagues at the City's Public Works & Utilities Department, clearly illustrated the need for investing more in our stormwater system. They did so during their presentations delivered to the Chamber's Executive Committee, July 1st, and our Board of Directors, July 28th.

Moreover, we take comfort in the assurance that the Commission's plan for increasing stormwater rates provides commercial and industrial property owners opportunities to earn fee discounts for initiating structural stormwater management practices that improve stormwater quality and flood control. We have been a long-standing advocate for these credits. Consequently, we will welcome the opportunity to work with the City to increase our business community's awareness of, and their subsequent access to, these discounts.

We also find consolation in your assurance that the proposed annual average investment in our stormwater system of \$4.7 million will generate additional work for our local contractors and product providers selected to work on the utilities. We continue to strongly advocate for requiring our local government entities to use local contractors, and local workers, to complete tax funded projects.

The increased investment will assist in protecting our community's private and public properties, as rainwater and snow melt is properly captured and conveyed to Lake Superior, the Greatest of the Great Lakes. One of the Chamber's key initiatives for 2020 is to: *"leverage, in a responsible way, the competitive advantage our community enjoys by being located on the shores of Lake Superior and the St. Louis River."*

We are also relieved to read these words in the final paragraph of the Commission's: Resolution of the Duluth Public Utilities Commission Approving the Intent to Establish a Six-Year

Plan for Stormwater Rates to Fund Necessary Capital Improvements to the City Stormwater System: *“It should be noted that the proposed plan is not cast in concrete. Should circumstances arise making it prudent to deviate from this plan, the DPUC can modify the plan in response to those changing circumstances.”*

Our local circumstances are clearly changing as the vast majority of our member businesses are struggling mightily with the financial hardship precipitated by the coronavirus pandemic. Therefore, we respectfully request the Commission to delay the proposed implementation of the stormwater rate increases for one year, from January 1, 2021 to January 1, 2022. Doing so will provide additional time for local businesses to recover from the financial hardship many are experiencing, before they are required to pay the increased stormwater utilities rates. Please reflect on the hardship the proposed rate increases will have on our community’s businesses.

If the Commission agrees to this one-year delay, the Chamber will not oppose the Commission’s six-year plan for increasing stormwater rates to fund necessary capital improvements to the City’s stormwater system.

Thank you for considering our request.

Copy: Mayor Larson