



HERMANTOWN WATER BILLS – JUNE OF 2020

City staff received a great deal of feedback regarding higher-than-expected bills for June 2020 water usage. The amount of calls and e-mails regarding the bills was also higher than expected, which caused delays in returning messages. It is appropriate for us to start with an apology on that front, and we will strive to provide clearer expectations on how long it may take to return calls and e-mails during certain times.

We also want to be clear regarding these utility bills and will continue to monitor the situation through this unique summer.

First, the amount due on the utility bills is correct. We know this will not be a pleasing answer to many who received a bill higher than they expected, but Hermantown, and other communities, are using considerably more water than in the past several months. In Hermantown, we are up 11 percent in total water usage over any previous month since the start of 2017. For comparison, in June of 2019 Hermantown used more than 14 million gallons of water (14,217,000), but that increased to almost 19 million gallons of water (18,825,000) in June of this year.

We are learning about similar increases in usage in neighboring communities as well. In Cloquet, they used roughly 25 percent more water in June of 2020 than they did in 2019.

So, while this doesn't lower the bill itself, it does help us realize that increased water usage is not localized just to Hermantown.

Secondly, there are errors in the usages listed on the electronic bills for June of 2020. This can be traced to the fact that we did a reading of the meters on the last day of July, which was completed shortly before the electronic bills were sent. We learned our billing system pulled the most recent reading for the usage listing, but did not do the calculations for the electronic bills on that reading. We have always waited a few days into the next month to perform our reading, but the combination of an unplanned surgery and a vacation left a small water utility team reading the meters early. Combine those two absences last week with a quarantined employee, and you also have more information regarding the delay in returning phone calls recently. We believe this one-time early reading is causing the confusion in the electronic bills, and will work to make sure we don't have an early reading occur again. We will also work to pass along the correct June usage amount for those with incorrect usages listed on their electronic bills. This may take some time, so we appreciate your understanding while we continue to perform regular utility functions while working to update this information with the impacted residents. Again, this should not change the previous bill amount, but will allow for clarity in the usage used to calculate that amount.

There were additional questions regarding billing that also were included in this process. Primarily these questions were about the transparency of the bills themselves, but also included other areas we can provide further clarity upon.

In regards to what is listed on the utility bills, we are investigating what is possible in terms of adding greater information to the physical bill and the additional costs with that. That process will take some time, so we ask for your grace and patience in that process. We will be certain to circle back and update that question both on our website and our social media pages. We looked at the information on our bills in late 2018/early 2019, and chose at that time not to make changes due to increased costs. This experience has allowed us to address the issue with new perspective, so we will see what best fits the needs of Hermantown's residents.

There were questions about the transparency of our rates, which are currently not listed on the bill but are listed on our website. That information can be found below and on our Utility Department and Utility Applications & Forms page, as well as additional charges related to water, sewer, and other rates.

CITY OF HERMANTOWN 2020 WATER RATES - RESIDENTIAL

MONTHLY BILLING CHARGES – PER 1,000 GALLONS

- Tier 1 \$ 7.84 - up to 2,500 gallons
- Tier 2 \$ 9.02 - between 2,501 and 4,500 gallons
- Tier 3 \$ 9.92 - over 4,501 gallons

Our water rates are much like those in similar communities. We are higher than Cloquet and Duluth, but lower than Proctor, Rice Lake, and Carlton.

CITY OF PROCTOR

- \$7.73 per 100 cubic feet (equals \$10.33 per 1,000 gallons)

CITY OF RICE LAKE

- \$17.77 per 1,000 gallons

CITY OF CARLTON

- \$16.65 per 1,000 gallons

CITY OF CLOQUET

- \$3.05 per 1,000 gallons (inside Cloquet city limits)
- \$3.65 per 1,000 gallons over 6,000 gallons (inside Cloquet city limits)
- \$4.05 per 1,000 gallons (outside Cloquet city limits – Esko, Scanlon, etc.)
- \$4.65 per 1,000 gallons over 6,000 gallons (outside Cloquet city limits – Esko, Scanlon, etc.)

CITY OF DULUTH

- \$4.03 per 1,000 gallons in first tier

We also looked at our meters, which are operating as expected and measuring appropriately. It was noted by residents that meters had been recently fixed or replaced, but the only changes were to the radio transmitter which allows readings to occur from outside the yard. Hermantown's Public Works team replaces about a dozen of those each month, which are then checked for accuracy. We have not needed to replace any water meters during the time in which the bills are in question. We are confident our meters are doing the job measuring water usages in the way they are expected.

We've included additional documents to help individual water users assess issues that may or may not be occurring in their water usage – from running toilets to leaky faucets and more. These are always good to check, not just when your bill is larger than expected – although that bill can be a hint that something is occurring beyond just traditional usage.

Finally, there were questions and concerns regarding the stormwater utility and its \$7 monthly fee. We are now entering the later months of the second full year of this new utility, which is a good time to remind residents what is encompassed by the stormwater utility. It is **NOT** for sewer and water, as we've been in discussion above, but a separate utility system that we all benefit from across the city. The stormwater system is composed of all of Hermantown's ditches, culverts, and bridges that help move stormwater safely and efficiently to our creeks and through our watershed, while also keeping us moving above and around stormwater. Hermantown's municipal separate storm water system – called an MS4 – is governed by both state and federal laws that require us to maintain, fund, and account for work on our system. We have chosen the benefits of complying with the Minnesota Pollution Control Agency and the Environmental Protection Agency over the alternatives. Residents who do have city sewer and water have seen an increase of \$7 to their monthly utility bill since the beginning of 2019. Residents who are **NOT** on city sewer and water are billed \$42 every six months in July and January, and billing began in July of 2019.

Working together to serve and build our community.

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