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Western Lake Superior Sanitary District
2626 Courtland Street, Duluth, MN 55806
resourcerenew.com

October 14, 2025

City of Duluth
Mr. Jim Benning
Director of Public Works & Utilities
411 W First St, Room 274
Duluth, MN 55802

RE: 2026 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2026 budget at the September 29, 2025, board meeting. The Board approved a 4.69% increase in the wastewater budget. The 2026 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charge	$11,101,603
Total Monthly Charge	$ 925,134

This amount represents an increase of $603,758 or 5.75% as compared to your 2025 budgeted charges. The 2026 budget reflects an increase in total suspended solids and slight decreases to flow and biochemical oxygen demand (BOD) reflective of actual flows and loads that we have been receiving.

Please note that any year-end adjustment relating to 2025 wastewater charges will be calculated in January 2026 and sent to you under a separate letter.

The District-wide allocation for 2026 is $396,000. The 2026 District-wide allocation for the City of Duluth is $244,215. This amount may be paid in two equal installments. The first is due on or before July 1, 2026, and the second on or before December 1, 2026.

If you have any questions on this information, please call my office at 218-740-4788.

Sincerely,

Cathy A Remington
Director of Finance

cc: Noah Schuchman, Chief Administrative Officer, Room 402

2026 Budget
Wastewater Unit Costs

	BUDGET 2025	BUDGET 2026	% CHANGE
VOLUME			
FLOW (MGD)	35.20	34.42	-2.22%
BOD (LBS/DAY)	60,044	52,475	-12.61%
SUSPENDED SOLIDS (LBS/DAY)	45,940	46,245	0.66%
O & M UNIT COSTS			
FLOW (COST/1000 GAL)	$0.7286	$0.7860	7.88%
PEAK FLOW	$0.0389	$0.0408	4.95%
BOD (COST/LB)	$0.2398	$0.2888	20.43%
SUSPENDED SOLIDS (COST/LB)	$0.3149	$0.3320	5.43%
O & M + DEBT SERVICE UNIT COSTS			
FLOW (COST/1000 GAL)	$0.9699	$1.0334	6.54%
PEAK FLOW	$0.0980	$0.1014	3.49%
BOD (COST/LB)	$0.2985	$0.3495	17.08%
SUSPENDED SOLIDS (COST/LB)	$0.3775	$0.3957	4.81%
DOMESTIC EQUIV (COST/1000GAL)	$2.1955	$2.3776	8.30%

WLSSD 2026 BUDGETED FLOWS AND LOADINGS
FLOW (MGD)

	BUDGET 2025	YTD 2025 thru August	BUDGET 2026
DULUTH	13.000	11.029	12.500
CLOQUET	1.000	1.020	1.000
HERMANTOWN	0.650	0.702	0.675
PROCTOR	0.400	0.345	0.400
ESKO (Includes Helb/Lars)	0.2062	0.172	0.1900
SCANLON	0.169	0.384	0.169
CARLTON	0.160	0.140	0.160
THOMSON (City only)	0.009	0.008	0.009
TWIN LAKES	0.040	0.035	0.035
RICE LAKE	0.060	0.052	0.060
OLIVER	0.020	0.018	0.020
PIKE LAKE	0.100	0.086	0.100
KNIFE RIVER	0.024	0.022	0.024
MPCA LANDFILL	0.003	0.001	0.0025
WRENSHALL	0.030	0.031	0.032
JAY COOKE	0.002	0.002	0.002
BUFFALO/MIDWAY	0.0050	0.006	0.0060
DULUTH/NORTH SHORE	0.057	0.052	0.057
MUNICIPAL SUBTOTAL	15.935	14.103	15.442
SAPPI	17.019	16.605	17.000
USG	0.550	0.433	0.450
SOFIDEL	1.500	1.445	1.330
SPECIALTY MINERALS	0.195	0.212	0.1975
INDUSTRIAL SUBTOTAL	19.264	18.695	18.978
TOTAL FLOW	35.200	32.798	34.419

WLSSD 2026 BUDGETED FLOWS AND LOADINGS
BOD (LBS/DAY)

	BUDGET 2025	YTD 2025 thru August	BUDGET 2026
DULUTH	13,200	12,206	12,750
CLOQUET	1,493	1,522	1,493
HERMANTOWN	1,150	1,053	1,100
PROCTOR	475	382	400
ESKO (Includes Helb/Lars)	269	269	279
SCANLON	282	640	282
CARLTON	171	171	183
THOMSON (City only)	15	13	15
TWIN LAKES	153	144	146
RICE LAKE	100	87	100
OLIVER	33	30	33
PIKE LAKE	167	143	167
KNIFE RIVER	40	37	40
MPCA LANDFILL	5	2	4
WRENSHALL	50	52	53
JAY COOKE	3	4	3
BUFFALO/MIDWAY	13	14	15
DULUTH/NORTH SHORE	95	87	95
MUNICIPAL SUBTOTAL	17,714	16,856	17,159
SAPPI	40,000	33,755	33,000
USG	2,000	1,497	2,000
SOFIDEL	325	321	310
SPECIALTY MINERALS	5	6	6
INDUSTRIAL SUBTOTAL	42,330	35,579	35,316
TOTAL BOD	60,044	52,435	52,475

WLSSD 2026 BUDGETED FLOWS AND LOADINGS
SUSPENDED SOLIDS (LBS/DAY)

	BUDGET 2025	YTD 2025 thru August	BUDGET 2026
DULUTH	17,000	18,470	17,500
CLOQUET	2,000	2,236	2,193
HERMANTOWN	1,100	1,176	1,150
PROCTOR	550	569	550
ESKO	322	322	347
(Includes Helb/Lars) SCANLON	282	640	282
CARLTON	206	206	231
THOMSON (City only)	13	13	15
TWIN LAKES	133	129	121
RICE LAKE	100	87	100
OLIVER	33	30	33
PIKE LAKE	167	143	167
KNIFE RIVER	37	37	40
MPCA LANDFILL	5	2	4
WRENSHALL	50	52	53
JAY COOKE	3	4	3
BUFFALO/MIDWAY	8	10	10
DULUTH/NORTH SHORE	95	87	95
MUNICIPAL SUBTOTAL	22,105	24,213	22,895
SAPPI	20,035	29,017	20,500
USG	3,000	1,815	2,000
SOFIDEL	300	347	350
SPECIALTY MINERALS	500	722	500
INDUSTRIAL SUBTOTAL	23,835	31,901	23,350
TOTAL DISTRICT	45,940	56,114	46,245

2026 Budget
Wastewater Treatment Charges

	BUDGET 2025	BUDGET 2026	INCREASE (DECREASE)	% CHANGE
DULUTH	$10,497,845	$11,101,603	$603,758	5.75%
CLOQUET	$1,039,683	$1,138,034	$98,351	9.46%
PROCTOR	$355,130	$372,336	$17,206	4.84%
HERMANTOWN	$647,817	$707,583	$59,766	9.23%
ESKO	$183,824	$197,623	$13,799	7.51%
SCANLON	$154,253	$167,552	$13,299	8.62%
CARLTON	$136,927	$150,920	$13,993	10.22%
RICE LAKE	$59,832	$64,295	$4,463	7.46%
TWIN LAKE	$71,895	$74,054	$2,158	3.00%
PIKE LAKE	$90,802	$97,942	$7,140	7.86%
KNIFE RIVER	$22,892	$25,031	$2,139	9.34%
OLIVER	$18,908	$20,374	$1,466	7.76%
THOMSON	$9,957	$10,877	$921	9.25%
WRENSHALL	$28,854	$32,475	$3,621	12.55%
JAY COOKE	$2,634	$2,605	-$29	-1.10%
MIDWAY	$5,985	$6,943	$958	16.01%
MPCA LANDFILL	$9,255	$8,894	-$362	-3.91%
DULUTH/NORTH SHORE	$56,933	$61,025	$4,092	7.19%
SUBTOTAL	$13,393,424	$14,240,165	$846,741	6.32%
SAPPI	$14,201,276	$14,839,522	$638,245	4.49%
GEORGIA PACIFIC DEBT SERV ONLY	$11,754	$8,232	-$3,523	-29.97%
USG	$935,335	$864,955	-$70,380	-7.52%
SOFIDEL	$1,560,373	$1,558,581	-$1,792	-0.11%
SPECIALTY MINERALS	$178,650	$187,965	$9,315	5.21%
SUBTOTAL	$16,887,388	$17,459,254	$571,866	3.39%
TOTAL DISTRICT	$30,280,812	$31,699,419	$1,418,607	4.68%

2026 Budget
Wastewater Treatment Charges

	BUDGET 2025	BUDGET 2026	INCREASE (DECREASE)	% CHANGE
DULUTH	$10,497,845	$11,101,603	$603,758	5.75%
CLOQUET	$1,039,683	$1,138,034	$98,351	9.46%
PROCTOR	$355,130	$372,336	$17,206	4.84%
HERMANTOWN	$647,817	$707,583	$59,766	9.23%
ESKO	$183,824	$197,623	$13,799	7.51%
SCANLON	$154,253	$167,552	$13,299	8.62%
CARLTON	$136,927	$150,920	$13,993	10.22%
RICE LAKE	$59,832	$64,295	$4,463	7.46%
TWIN LAKE	$71,895	$74,054	$2,158	3.00%
PIKE LAKE	$90,802	$97,942	$7,140	7.86%
KNIFE RIVER	$22,892	$25,031	$2,139	9.34%
OLIVER	$18,908	$20,374	$1,466	7.76%
THOMSON	$9,957	$10,877	$921	9.25%
WRENSHALL	$28,854	$32,475	$3,621	12.55%
JAY COOKE	$2,634	$2,605	-$29	-1.10%
MIDWAY	$5,985	$6,943	$958	16.01%
MPCA LANDFILL	$9,255	$8,894	-$362	-3.91%
DULUTH/NS	$56,933	$61,025	$4,092	7.19%
SUBTOTAL	$13,393,424	$14,240,165	$846,741	6.32%
	Billed Estimate			
SAPPI	$14,332,190	$14,839,522	$507,332	3.54%
GEORGIA PACIFIC DEBT SERV ONLY	$11,754	$8,232	-$3,523	-29.97%
USG	$701,193	$864,955	$163,762	23.35%
SOFIDEL	$1,550,743	$1,558,581	$7,838	0.51%
SPECIALTY MINERALS	$200,921	$187,965	-$12,956	-6.45%
SUBTOTAL	$16,796,801	$17,459,254	$662,452	3.94%
TOTAL DISTRICT	$30,190,225	$31,699,419	$1,509,193	5.00%

2026 Budget
O&M Cost Comparison

	BUDGET 2025	BUDGET 2026	INCREASE (DECREASE)	% CHANGE
DULUTH	$7,060,090	$7,576,215	$516,124	7.31%
CLOQUET	$690,314	$776,994	$86,680	12.56%
PROCTOR	$233,720	$247,240	$13,520	5.78%
HERMANTOWN	$444,624	$495,474	$50,850	11.44%
ESKO	$126,650	$138,025	$11,375	8.98%
SCANLON	$113,825	$124,752	$10,927	9.60%
CARLTON	$89,705	$102,117	$12,411	13.84%
RICE LAKE	$40,458	$44,338	$3,880	9.59%
TWIN LAKE	$44,421	$45,526	$1,105	2.49%
PIKE LAKE	$65,369	$71,739	$6,370	9.74%
KNIFE RIVER	$15,696	$17,635	$1,938	12.35%
OLIVER	$13,135	$14,406	$1,271	9.68%
THOMSON	$5,924	$6,740	$816	13.78%
WRENSHALL	$19,803	$23,037	$3,233	16.33%
JAY COOKE	$1,368	$1,373	$5	0.36%
MIDWAY	$3,421	$4,577	$1,156	33.80%
MPCA LANDFILL	$2,335	$2,182	-$153	-6.56%
DULUTH/NORTH SHORE	$37,981	$41,645	$3,664	9.65%
SUBTOTAL	$9,008,840	$9,734,013	$725,173	8.05%
SAPPI	$10,428,501	$10,943,628	$515,127	4.94%
USG	$675,308	$593,406	-$81,902	-12.13%
SOFIDEL	$554,074	$555,986	$1,912	0.35%
SPECIALTY MINERALS	$114,090	$122,386	$8,296	7.27%
SUBTOTAL	$11,771,972	$12,215,405	$443,434	3.77%
TOTAL DISTRICT	$20,780,812	$21,949,419	$1,168,607	5.62%

2026 Budget
Debt Service Costs

	BUDGET 2025	BUDGET 2026	INCREASE (DECREASE)	% CHANGE
DULUTH	$3,437,754	$3,525,388	$87,634	2.55%
CLOQUET	$349,368	$361,040	$11,671	3.34%
PROCTOR	$121,410	$125,096	$3,686	3.04%
HERMANTOWN	$203,193	$212,109	$8,916	4.39%
ESKO	$57,174	$59,598	$2,425	4.24%
SCANLON	$40,428	$42,800	$2,372	5.87%
CARLTON	$47,221	$48,803	$1,582	3.35%
RICE LAKE	$19,374	$19,957	$583	3.01%
TWIN LAKE	$27,474	$28,528	$1,053	3.83%
PIKE LAKE	$25,433	$26,203	$771	3.03%
KNIFE RIVER	$7,195	$7,396	$201	2.79%
OLIVER	$5,773	$5,968	$195	3.38%
THOMSON	$4,033	$4,137	$105	2.59%
WRENSHALL	$9,050	$9,438	$388	4.28%
JAY COOKE	$1,266	$1,233	($34)	-2.68%
MIDWAY	$2,564	$2,366	($198)	-7.73%
MPCA LANDFILL	$6,920	$6,712	($208)	-3.01%
DULUTH/NORTH SHORE	$18,952	$19,380	$428	2.26%
SUBTOTAL	$4,384,584	$4,506,152	$121,568	2.77%
SAPPI	$3,772,775	$3,895,893	$123,118	3.26%
GEORGIA PACIFIC DEBT SERV ONLY	$11,754	$8,232	($3,523)	-29.97%
USG	$260,027	$271,549	$11,522	4.43%
SOFIDEL	$1,006,299	$1,002,595	($3,704)	-0.37%
SPECIALTY MINERALS	$64,560	$65,579	$1,019	1.58%
SUBTOTAL	$5,115,416	$5,243,848	$128,432	2.51%
TOTAL DISTRICT	$9,500,000	$9,750,000	$250,000	2.63%

Actual Allocations
Determination of Annual User Billings
2026 Budget

	Annual Operating Expenses		2011-12 Debt Service		2013-15 Debt Service		2016-20 Debt Service		2021 Debt Service		2022-26 Debt Service		Subtotal	Total
			Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Allocation	Debt Service	Bill
Duluth	$7,576,215	34.52%	37.05%	$370,819	37.05%	$487,594	35.25%	$943,681	38.72%	$153,351	36.08%	$1,569,943	$3,525,388	$11,101,603
Cloquet	$776,994	3.54%	3.03%	$30,319	3.03%	$39,867	3.89%	$104,048	4.25%	$16,839	3.91%	$169,967	$361,040	$1,138,034
Proctor	$247,240	1.13%	1.19%	$11,947	1.19%	$15,709	1.29%	$34,425	1.41%	$5,583	1.32%	$57,432	$125,096	$372,336
Hermantown	$495,474	2.26%	1.81%	$18,163	1.81%	$23,883	2.21%	$59,091	2.44%	$9,654	2.33%	$101,317	$212,109	$707,583
Esko	$138,025	0.63%	0.52%	$5,251	0.52%	$6,905	0.61%	$16,346	0.67%	$2,646	0.65%	$28,450	$59,598	$197,623
Scanlon	$124,752	0.57%	0.24%	$2,367	0.24%	$3,112	0.45%	$12,021	0.49%	$1,944	0.54%	$23,355	$42,800	$167,552
Carlton	$102,117	0.47%	0.46%	$4,566	0.46%	$6,004	0.49%	$13,124	0.54%	$2,119	0.53%	$22,989	$48,803	$150,920
Rice Lake	$44,338	0.20%	0.20%	$2,046	0.20%	$2,690	0.19%	$5,023	0.21%	$824	0.22%	$9,374	$19,957	$64,295
Twin Lake	$45,526	0.21%	0.24%	$2,353	0.24%	$3,094	0.30%	$8,018	0.33%	$1,326	0.32%	$13,737	$28,528	$74,054
Pike Lake	$71,739	0.33%	0.20%	$2,000	0.20%	$2,630	0.28%	$7,614	0.31%	$1,242	0.29%	$12,716	$26,203	$97,942
Knife River	$17,635	0.08%	0.07%	$729	0.07%	$959	0.08%	$2,015	0.08%	$327	0.08%	$3,366	$7,396	$25,031
Oliver	$14,406	0.07%	0.05%	$522	0.05%	$686	0.06%	$1,680	0.07%	$274	0.06%	$2,806	$5,968	$20,374
Thomson	$6,740	0.03%	0.04%	$414	0.04%	$545	0.04%	$1,176	0.05%	$193	0.04%	$1,809	$4,137	$10,877
Wrenshall	$23,037	0.10%	0.08%	$759	0.08%	$998	0.10%	$2,641	0.11%	$434	0.11%	$4,606	$9,438	$32,475
Jay Cooke	$1,373	0.01%	0.02%	$190	0.02%	$250	0.01%	$279	0.01%	$46	0.01%	$466	$1,233	$2,605
Midway	$4,577	0.02%	0.07%	$734	0.07%	$966	0.01%	$238	0.01%	$40	0.01%	$388	$2,366	$6,943
MPCA Landfill	$2,182	0.01%	0.13%	$1,276	0.13%	$1,678	0.09%	$2,359	0.10%	$393	0.02%	$1,006	$6,712	$8,894
Unused	$0	0.00%	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	0.00%	$0	$0	$0
Duluth - North Shore	$41,645	0.19%	0.20%	$2,012	0.20%	$2,646	0.19%	$5,196	0.21%	$847	0.20%	$8,678	$19,380	$61,025
Georgia Pacific *	$0	0.00%		$8,232									$8,232	$8,232
Sappi	$10,943,628	49.86%	37.87%	$379,052	37.87%	$498,420	38.27%	$1,024,713	44.80%	$177,428	41.74%	$1,816,280	$3,895,893	$14,839,522
Sofidel	$555,986	2.53%	13.19%	$132,029	13.19%	$173,606	13.61%	$364,335	2.29%	$9,074	7.44%	$323,550	$1,002,595	$1,558,581
USG	$593,406	2.70%	2.67%	$26,690	2.67%	$35,095	1.92%	$51,316	2.17%	$8,598	3.44%	$149,850	$271,549	$864,955
Specialty Minerals	$122,386	0.56%	0.67%	$6,746	0.67%	$8,871	0.68%	$18,129	0.72%	$2,856	0.67%	$28,977	$65,579	$187,965
TOTALS	$21,949,419	100.00%		$1,009,218		$1,316,210		$2,677,468		$396,040		$4,351,064	$9,750,000	$31,699,419
			100.00%		100.00%		100.00%		100.00%		100.00%			

WLSSD DISTRICT-WIDE ALLOCATION
2026 BUDGET

	TAX CAPACITY VALUE 2025 (THOUSANDS)	% OF TOTAL	DWA 2025	TAX CAPACITY VALUE 2026 (THOUSANDS)	% OF TOTAL	DWA 2026
ST. LOUIS COUNTY						
DULUTH	$118,101	61.57%	$232,753	$125,215	61.67%	$244,215
HERMANTOWN	$20,021	10.44%	$39,457	$21,792	10.73%	$42,502
PROCTOR	$3,718	1.94%	$7,327	$4,062	2.00%	$7,922
CANOSIA	$4,093	2.13%	$8,066	$4,252	2.09%	$8,293
DULUTH TOWNSHIP	$1,090	0.57%	$2,149	$1,161	0.57%	$2,263
GRAND LAKE	$5,500	2.87%	$10,839	$5,481	2.70%	$10,690
LAKEWOOD *	$860	0.45%	$1,695	$893	0.44%	$1,741
MIDWAY *	$674	0.35%	$1,328	$766	0.38%	$1,494
RICE LAKE	$5,558	2.90%	$10,954	$5,677	2.80%	$11,072
SOLWAY *	$761	0.40%	$1,499	$771	0.38%	$1,504
SUBTOTAL	$160,376	83.62%	$316,067	$170,070	83.76%	$331,698
CARLTON COUNTY						
CARLTON/THOMSON	$1,031	0.54%	$2,032	$1,084	0.53%	$2,114
CLOQUET	$12,305	6.42%	$24,251	$12,929	6.37%	$25,216
SCANLON	$1,206	0.63%	$2,377	$1,244	0.61%	$2,426
WRENSHALL	$561	0.29%	$1,106	$594	0.29%	$1,159
SILVERBROOK*	$991	0.52%	$1,954	$1,010	0.50%	$1,970
THOMSON TOWNSH	$9,539	4.97%	$18,799	$10,098	4.97%	$19,695
TWIN LAKES	$5,792	3.02%	$11,415	$6,010	2.96%	$11,722
SUBTOTAL	$31,425	16.38%	$61,933	$32,969	16.24%	$64,302
TOTAL DWA	$191,801	100.00%	$378,000	$203,039	100.00%	$396,000

* Charges for unsewered areas are based on 25% of net tax capacity.