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Western Lake Superior Sanitary District

September 27, 2024

City of Duluth
Mr. Jim Benning
Director of Public Works
207 City Hall
Duluth, MN 55802

RE: 2025 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2025 budget at the September 23, 2024, board meeting. The Board approved a 2.78% increase in the wastewater budget. The 2025 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charges	\$ 10,497,845
Total Monthly Charge	\$ 874,820

This amount represents an increase from 2024 of \$500,471 or 5.01%. The 2025 budget reflects an increase in daily flow and total suspended solids from the City and a slight decrease in biochemical oxygen demand (BOD) reflective of the actual flows and loads that we have been receiving.

Please note that any year-end adjustment relating to 2024 wastewater charges will be calculated in January 2025 and sent to you under a separate letter.

The District-wide allocation was increased to \$378,000 for 2025. The 2025 District-wide allocation for the City of Duluth is \$232,753. This amount may be paid in two equal installments. The first is due on or before July 1, 2025, and the second on or before December 1, 2025.

If you have any questions on this information, please call my office at 218-740-4805.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Bohren', with a long horizontal line extending to the right.

Marianne Bohren
Executive Director

xc: David Montgomery, Chief Administrative Officer, City of Duluth

**2025 Budget
Wastewater Unit Costs**

	BUDGET 2024	BUDGET 2025	% CHANGE
<u>VOLUME</u>			
FLOW (MGD)	35.62	35.20	-1.17%
BOD (LBS/DAY)	71,539	60,044	-16.07%
SUSPENDED SOLIDS (LBS/DAY)	41,646	45,940	10.31%
<u>O & M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.6984	\$0.7286	4.33%
PEAK FLOW	\$0.0374	\$0.0389	3.80%
BOD (COST/LB)	\$0.2035	\$0.2398	17.85%
SUSPENDED SOLIDS (COST/LB)	\$0.3436	\$0.3149	-8.35%
<u>O & M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.9271	\$0.9699	4.62%
PEAK FLOW	\$0.0935	\$0.0980	4.82%
BOD (COST/LB)	\$0.2587	\$0.2985	15.38%
SUSPENDED SOLIDS (COST/LB)	\$0.4033	\$0.3775	-6.39%
DOMESTIC EQUIV (COST/1000GAL)	\$2.1248	\$2.1955	3.33%

FLOW (MGD)

FLOW (MGD)		YTD 2024		Budget 2025	
	Budget 2024	thru Aug			
Duluth	12.7000	14.3614		13.0000	
Cloquet	1.0000	0.8607		1.0000	
Hermantown	0.6500	0.7135		0.6500	
Proctor	0.4000	0.4592		0.4000	
Esko	0.2062	0.2092		0.2062	
Scanlon	0.1690	0.1811		0.1690	
Carlton	0.1500	0.1947		0.1600	
Thomson	0.0080	0.0103		0.0090	
Twin Lakes	0.0400	0.0342		0.0400	
Rice Lake	0.0600	0.058		0.0600	
Oliver	0.0220	0.0189		0.0200	
Pike Lake	0.1000	0.095		0.1000	
Knife River	0.0220	0.0217		0.0240	
MPCA	0.0030	0.0023		0.0030	
Wrenshall	0.0300	0.0395		0.0300	
Jay Cooke	0.0020	0.0024		0.0020	
Buf/midway	0.0030	0.0049		0.0050	
DNSE	0.0500	0.0655		0.0570	
MUNICIPAL SUBTOTAL	15.615	17.333		15.935	
Sappi	17.0000	17.5057		17.0194	
USG	0.5500	0.4504		0.5500	
Sofidel (ST Paper prior)	2.2500	1.4881		1.5000	
Spec Minerals	0.2000	0.1907		0.1950	
INDUSTRIAL SUBTOTAL	20.000	19.635		19.2644	
TOTAL FLOW	35.615	36.967		35.200	

TSS (Lbs/Day)

	YTD 2024	
	Budget 2024	thru Aug
		Budget 2025
Duluth	16,100	19,214
Cloquet	2,193	1,888
Hermantown	1,100	1,184
Proctor	600	577
Esko	305	305
Scanlon	282	302
Carlton	183	183
Thomson	13	17
Twin Lakes	133	128
Rice Lake	100	97
Oliver	37	32
Pike Lake	167	155
Knife River	37	36
MPCA	5	4
Wrenshall	50	66
Jay Cooke	3	4
Buf/midway	5	8
DNSE	83	109
MUNICIPAL SUBTOTAL	21,396	24,309
Sappi	15,750	24,390
USG	3,000	1,959
Sofidel (ST Paper in 22, 23)	1,000	367
Spec Minerals	500	581
INDUSTRIAL SUBTOTAL	20,250	27,297
TOTAL TSS	41,646	51,606
		45,940

BOD (lbs/Day)

		Actual	
	Budget 2024	YTD 2024 thru Aug	Budget 2025
Duluth	13,500	12,957	13,200
Cloquet	1,493	1,285	1,493
Hermantown	1,150	1,096	1,150
Proctor	530	430	475
Esko	263	263	269
Scanlon	282	302	282
Carlton	160	160	171
Thomson	13	17	15
Twin Lakes	153	143	153
Rice Lake	100	97	100
Oliver	37	32	33
Pike Lake	167	155	167
Knife River	37	36	40
MPCA	5	4	5
Wrenshall	50	66	50
Jay Cooke	3	4	3
Buf/midway	8	11	13
DNSE	83	109	95
MUNICIPAL SUBTOTAL	18,034	17,167	17,714
Sappi	43,500	39,898	40,000
USG	2,000	2,042	2,000
Sofidel	8,000	420	325
Spec Minerals	5	6	5
INDUSTRIAL SUBTOTAL	53,505	42,366	42,330
TOTAL BOD	71,539	59,533	60,044

**2025 Budget
Wastewater Treatment Charges**

	BUDGET 2024	BUDGET 2025	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,997,374	\$10,497,845	\$500,471	5.01%
CLOQUET	\$1,031,184	\$1,039,683	\$8,499	0.82%
PROCTOR	\$352,916	\$355,130	\$2,214	0.63%
HERMANTOWN	\$622,085	\$647,817	\$25,732	4.14%
ESKO	\$174,698	\$183,824	\$9,126	5.22%
SCANLON	\$147,968	\$154,253	\$6,285	4.25%
CARLTON	\$125,854	\$136,927	\$11,073	8.80%
RICE LAKE	\$57,635	\$59,832	\$2,196	3.81%
TWIN LAKE	\$68,920	\$71,895	\$2,975	4.32%
PIKE LAKE	\$87,571	\$90,802	\$3,231	3.69%
KNIFE RIVER	\$21,331	\$22,892	\$1,560	7.32%
OLIVER	\$19,495	\$18,908	-\$588	-3.01%
THOMSON	\$9,170	\$9,957	\$786	8.58%
WRENSHALL	\$27,730	\$28,854	\$1,124	4.05%
JAY COOKE	\$2,462	\$2,634	\$172	7.01%
MIDWAY	\$4,676	\$5,985	\$1,308	27.98%
MPCA LANDFILL	\$9,209	\$9,255	\$46	0.50%
DULUTH/NORTH SHORE	\$50,863	\$56,933	\$6,071	11.94%
SUBTOTAL	\$12,811,143	\$13,393,424	\$582,281	4.55%
SAPPI	\$13,189,255	\$14,201,276	\$1,012,022	7.67%
GEORGIA PACIFIC DEBT SERV ONLY	\$13,440	\$11,754	-\$1,686	-12.54%
USG	\$915,118	\$935,335	\$20,217	2.21%
SOFIDEL	\$2,352,215	\$1,560,373	-\$791,842	-33.66%
SPECIALTY MINERALS	\$179,713	\$178,650	-\$1,063	-0.59%
SUBTOTAL	\$16,649,740	\$16,887,388	\$237,648	1.43%
TOTAL DISTRICT	\$29,460,883	\$30,280,812	\$819,929	2.78%

**2025 Budget
Wastewater Treatment Charges**

	BUDGET 2024	BUDGET 2025	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,997,374	\$10,497,845	\$500,471	5.01%
CLOQUET	\$1,031,184	\$1,039,683	\$8,499	0.82%
PROCTOR	\$352,916	\$355,130	\$2,214	0.63%
HERMANTOWN	\$622,085	\$647,817	\$25,732	4.14%
ESKO	\$174,698	\$183,824	\$9,126	5.22%
SCANLON	\$147,968	\$154,253	\$6,285	4.25%
CARLTON	\$125,854	\$136,927	\$11,073	8.80%
RICE LAKE	\$57,635	\$59,832	\$2,196	3.81%
TWIN LAKE	\$68,920	\$71,895	\$2,975	4.32%
PIKE LAKE	\$87,571	\$90,802	\$3,231	3.69%
KNIFE RIVER	\$21,331	\$22,892	\$1,560	7.32%
OLIVER	\$19,495	\$18,908	-\$588	-3.01%
THOMSON	\$9,170	\$9,957	\$786	8.58%
WRENSHALL	\$27,730	\$28,854	\$1,124	4.05%
JAY COOKE	\$2,462	\$2,634	\$172	7.01%
MIDWAY	\$4,676	\$5,985	\$1,308	27.98%
MPCA LANDFILL	\$9,209	\$9,255	\$46	0.50%
DULUTH/NS	\$50,863	\$56,933	\$6,071	11.94%
SUBTOTAL	\$12,811,143	\$13,393,424	\$582,281	4.55%
	<u>Billed Estimate</u>			
SAPPI	\$14,093,122	\$14,201,276	\$108,154	0.77%
GEORGIA PACIFIC DEBT SERV ONLY	\$13,440	\$11,754	-\$1,686	-12.54%
USG	\$792,703	\$935,335	\$142,632	17.99%
SOFIDEL	\$1,490,693	\$1,560,373	\$69,680	4.67%
SPECIALTY MINERALS	\$190,164	\$178,650	-\$11,515	-6.06%
SUBTOTAL	\$16,580,122	\$16,887,388	\$307,266	1.85%
TOTAL DISTRICT	\$29,391,265	\$30,280,812	\$889,547	3.03%

**2025 Budget
O&M Cost Comparison**

	BUDGET 2024	BUDGET 2025	INCREASE (DECREASE)	% CHANGE
DULUTH	\$6,738,734	\$7,060,090	\$321,356	4.77%
CLOQUET	\$702,306	\$690,314	-\$11,992	-1.71%
PROCTOR	\$238,300	\$233,720	-\$4,580	-1.92%
HERMANTOWN	\$432,096	\$444,624	\$12,528	2.90%
ESKO	\$121,193	\$126,650	\$5,457	4.50%
SCANLON	\$110,745	\$113,825	\$3,080	2.78%
CARLTON	\$81,406	\$89,705	\$8,299	10.20%
RICE LAKE	\$39,362	\$40,458	\$1,096	2.78%
TWIN LAKE	\$43,158	\$44,421	\$1,263	2.93%
PIKE LAKE	\$63,620	\$65,369	\$1,749	2.75%
KNIFE RIVER	\$14,527	\$15,696	\$1,170	8.05%
OLIVER	\$14,062	\$13,135	-\$927	-6.59%
THOMSON	\$5,346	\$5,924	\$578	10.82%
WRENSHALL	\$19,271	\$19,803	\$532	2.76%
JAY COOKE	\$1,218	\$1,368	\$149	12.27%
MIDWAY	\$2,046	\$3,421	\$1,375	67.20%
MPCA LANDFILL	\$2,269	\$2,335	\$66	2.92%
DULUTH/NORTH SHORE	\$32,872	\$37,981	\$5,109	15.54%
SUBTOTAL	\$8,662,530	\$9,008,840	\$346,310	4.00%
SAPPI	\$9,634,727	\$10,428,501	\$793,774	8.24%
USG	\$673,819	\$675,308	\$1,489	0.22%
SOFIDEL	\$1,371,651	\$554,074	-\$817,577	-59.61%
SPECIALTY MINERALS	\$118,157	\$114,090	-\$4,067	-3.44%
SUBTOTAL	\$11,798,352	\$11,771,972	-\$26,381	-0.22%
TOTAL DISTRICT	\$20,460,883	\$20,780,812	\$319,929	1.56%

**2025 Budget
Debt Service Costs**

	BUDGET 2024	BUDGET 2025	INCREASE (DECREASE)	% CHANGE
DULUTH	\$3,258,640	\$3,437,754	\$179,114	5.50%
CLOQUET	\$328,878	\$349,368	\$20,491	6.23%
PROCTOR	\$114,616	\$121,410	\$6,794	5.93%
HERMANTOWN	\$189,989	\$203,193	\$13,204	6.95%
ESKO	\$53,506	\$57,174	\$3,668	6.86%
SCANLON	\$37,223	\$40,428	\$3,205	8.61%
CARLTON	\$44,448	\$47,221	\$2,774	6.24%
RICE LAKE	\$18,273	\$19,374	\$1,100	6.02%
TWIN LAKE	\$25,762	\$27,474	\$1,712	6.65%
PIKE LAKE	\$23,951	\$25,433	\$1,482	6.19%
KNIFE RIVER	\$6,805	\$7,195	\$391	5.74%
OLIVER	\$5,433	\$5,773	\$339	6.25%
THOMSON	\$3,825	\$4,033	\$208	5.44%
WRENSHALL	\$8,459	\$9,050	\$591	6.99%
JAY COOKE	\$1,243	\$1,266	\$23	1.85%
MIDWAY	\$2,630	\$2,564	(\$67)	-2.53%
MPCA LANDFILL	\$6,941	\$6,920	(\$20)	-0.29%
DULUTH/NORTH SHORE SUBTOTAL	\$17,991 \$4,148,612	\$18,952 \$4,384,584	\$962 \$235,971	5.35% 5.69%
SAPPI	\$3,554,528	\$3,772,775	\$218,247	6.14%
GEORGIA PACIFIC DEBT SERV ONLY	\$13,440	\$11,754	(\$1,686)	-12.54%
USG	\$241,300	\$260,027	\$18,728	7.76%
SOFIDEL	\$980,564	\$1,006,299	\$25,735	2.62%
SPECIALTY MINERALS SUBTOTAL	\$61,556 \$4,851,388	\$64,560 \$5,115,416	\$3,004 \$264,029	4.88% 5.44%
TOTAL DISTRICT	\$9,000,000	\$9,500,000	\$500,000	5.56%

Actual Allocations
Determination of Annual User Billings
2025 Budget

	Annual		2006-10 Debt Service		2011-12 Debt Service		2013-15 Debt Service		2016-20 Debt Service		2021 Debt Service		2022-26 Debt Service		Subtotal	Total
	Operating Expenses	Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Allocation	Percent	Debt Service	Bill
Duluth	\$7,060,090	33.97%	\$120,272	37.27%	\$370,984	37.05%	\$487,772	37.05%	\$943,226	35.25%	\$153,162	38.72%	\$1,362,338	36.08%	\$3,437,754	\$10,497,845
Cloquet	\$690,314	3.32%	\$10,847	3.36%	\$30,332	3.03%	\$39,881	3.03%	\$103,998	3.89%	\$16,818	4.25%	\$147,491	3.91%	\$349,368	\$1,039,683
Proctor	\$233,720	1.12%	\$3,921	1.22%	\$11,952	1.19%	\$15,715	1.19%	\$34,408	1.29%	\$5,576	1.41%	\$49,838	1.32%	\$121,410	\$355,130
Hermantown	\$444,624	2.14%	\$4,506	1.40%	\$18,171	1.81%	\$23,892	1.81%	\$59,063	2.21%	\$9,642	2.44%	\$87,919	2.33%	\$203,193	\$647,817
Esko	\$126,650	0.61%	\$1,344	0.42%	\$5,254	0.52%	\$6,908	0.52%	\$16,338	0.61%	\$2,642	0.67%	\$24,688	0.65%	\$57,174	\$183,824
Scanlon	\$113,825	0.56%	\$723	0.22%	\$2,368	0.24%	\$3,114	0.24%	\$12,015	0.45%	\$1,942	0.49%	\$20,267	0.54%	\$40,428	\$154,253
Carlton	\$89,705	0.43%	\$1,483	0.45%	\$4,568	0.46%	\$6,006	0.46%	\$13,118	0.49%	\$2,117	0.54%	\$19,949	0.53%	\$47,221	\$136,927
Rice Lake	\$40,458	0.19%	\$658	0.20%	\$2,047	0.20%	\$2,691	0.19%	\$5,020	0.19%	\$823	0.21%	\$8,135	0.22%	\$19,374	\$59,832
Twin Lake	\$44,421	0.21%	\$766	0.24%	\$2,354	0.24%	\$3,095	0.24%	\$8,014	0.30%	\$1,324	0.33%	\$11,921	0.32%	\$27,474	\$71,895
Pike Lake	\$65,369	0.31%	\$914	0.28%	\$2,001	0.20%	\$2,631	0.28%	\$7,611	0.28%	\$1,241	0.31%	\$11,035	0.29%	\$25,433	\$90,802
Knife River	\$15,696	0.08%	\$245	0.08%	\$730	0.07%	\$960	0.07%	\$2,014	0.08%	\$326	0.08%	\$2,921	0.08%	\$7,195	\$22,892
Oliver	\$13,135	0.06%	\$177	0.05%	\$522	0.05%	\$687	0.06%	\$1,679	0.06%	\$274	0.07%	\$2,435	0.06%	\$5,773	\$18,908
Thomson	\$5,924	0.03%	\$135	0.04%	\$415	0.04%	\$545	0.04%	\$1,175	0.04%	\$193	0.05%	\$1,570	0.04%	\$4,033	\$9,957
Wrenshall	\$19,803	0.10%	\$223	0.07%	\$759	0.08%	\$998	0.08%	\$2,639	0.10%	\$434	0.11%	\$3,997	0.11%	\$9,050	\$28,854
Jay Cooke	\$1,368	0.01%	\$96	0.03%	\$190	0.02%	\$250	0.02%	\$279	0.01%	\$46	0.01%	\$405	0.01%	\$1,266	\$2,634
Midway	\$3,421	0.02%	\$249	0.08%	\$735	0.07%	\$966	0.07%	\$237	0.01%	\$40	0.10%	\$337	0.01%	\$2,564	\$5,985
MPCA Landfill	\$2,335	0.01%	\$342	0.11%	\$1,277	0.13%	\$1,678	0.13%	\$2,357	0.09%	\$392	0.10%	\$873	0.02%	\$6,920	\$9,255
Unused	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	\$0
Duluth - North Shore	\$37,981	0.18%	\$721	0.22%	\$2,013	0.20%	\$2,647	0.20%	\$5,194	0.19%	\$846	0.21%	\$7,531	0.20%	\$18,952	\$56,933
Georgia Pacific *	\$0	0.00%	\$3,522		\$8,233		\$498,602		\$1,024,219		\$177,209		\$1,576,101		\$11,754	\$11,754
Sapii	\$10,428,501	50.18%	\$117,424	36.39%	\$379,221	37.87%	\$173,670	37.87%	\$384,160	38.27%	\$9,063	44.80%	\$280,765	41.74%	\$3,772,775	\$14,201,276
Softdel	\$554,074	2.67%	\$46,554	14.43%	\$132,088	13.19%	\$26,108	13.19%	\$51,291	13.61%	\$8,587	2.29%	\$130,035	7.44%	\$1,006,299	\$1,560,373
USG	\$675,308	3.25%	\$8,304	2.57%	\$26,702	2.67%	\$35,108	2.67%	\$18,120	1.92%	\$2,853	2.17%	\$25,145	3.44%	\$260,027	\$955,335
Specialty Minerals	\$14,090	0.55%	\$2,819	0.87%	\$6,749	0.67%	\$8,874	0.67%	\$18,120	0.68%	\$2,853	0.72%	\$25,145	0.67%	\$64,560	\$178,650
TOTALS	\$20,780,812	100.00%	\$326,224	100.00%	\$1,009,666	100.00%	\$1,316,690	100.00%	\$2,676,178	100.00%	\$395,550	100.00%	\$3,775,692	100.00%	\$9,500,000	\$30,280,812

**WLSSD DISTRICT-WIDE ALLOCATION
2025 BUDGET**

	TAX CAPACITY			TAX CAPACITY		
	VALUE 2024	% OF	DWA	VALUE 2025	% OF	DWA
	(THOUSANDS)	TOTAL	2024	(THOUSANDS)	TOTAL	2025
<u>ST. LOUIS COUNTY</u>						
DULUTH	\$111,510	62.30%	\$229,270	\$118,101	61.57%	\$232,753
HERMANTOWN	\$18,143	10.14%	\$37,303	\$20,021	10.44%	\$39,457
PROCTOR	\$3,334	1.86%	\$6,855	\$3,718	1.94%	\$7,327
CANOSIA	\$3,876	2.17%	\$7,969	\$4,093	2.13%	\$8,066
DULUTH TOWNSHIP	\$889	0.50%	\$1,827	\$1,090	0.57%	\$2,149
GRAND LAKE	\$4,387	2.45%	\$9,020	\$5,500	2.87%	\$10,839
LAKEWOOD *	\$862	0.48%	\$1,772	\$860	0.45%	\$1,695
MIDWAY *	\$611	0.34%	\$1,256	\$674	0.35%	\$1,328
RICE LAKE	\$5,264	2.94%	\$10,823	\$5,558	2.90%	\$10,954
SOLWAY *	\$653	0.36%	\$1,343	\$761	0.40%	\$1,499
SUBTOTAL	\$149,529	83.54%	\$307,438	\$160,376	83.62%	\$316,067
<u>CARLTON COUNTY</u>						
CARLTON/THOMSON	\$995	0.56%	\$2,046	\$1,031	0.54%	\$2,032
CLOQUET	\$12,200	6.82%	\$25,084	\$12,305	6.42%	\$24,251
SCANLON	\$1,165	0.65%	\$2,395	\$1,206	0.63%	\$2,377
WRENSHALL	\$539	0.30%	\$1,108	\$561	0.29%	\$1,106
SILVERBROOK*	\$811	0.45%	\$1,667	\$991	0.52%	\$1,954
THOMSON TOWNSHIP	\$8,696	4.86%	\$17,879	\$9,539	4.97%	\$18,799
TWIN LAKES	\$5,050	2.82%	\$10,383	\$5,792	3.02%	\$11,415
SUBTOTAL	\$29,456	16.46%	\$60,562	\$31,425	16.38%	\$61,933
TOTAL DWA	\$178,984	100.00%	\$368,000	\$191,801	100.00%	\$378,000

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