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Western Lake Superior Sanitary District

September 29, 2020

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

RE: 2021 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2021 budget at the September 28, 2020 board meeting. The Board approved a (6.68%) decrease in the wastewater budget. There was a significant decrease in budgeted loadings for 2021 due to the impact of COVID 19 on the regional economy including the announced idle of a large industrial customer. To offset this revenue loss, the WLSSD reduced 2021 operating and capital costs and increased the use of operating reserves to mitigate the rate impact on individual customers. The 2021 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charges	\$ 9,397,598
Total Monthly Charge	\$ 783,133

This amount represents an increase from 2020 of \$23,842 or 0.25%.

Please note that any year-end adjustment relating to 2020 wastewater charges will be calculated in January 2021 and sent to you under a separate letter.

The District-wide allocation remains unchanged at \$355,000 for 2021. The 2021 District-wide allocation for the City of Duluth is \$220,074. This amount may be paid in two equal installments. The first is due on or before July 1, 2021, and the second on or before December 1, 2021.

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

Sincerely,

Marianne Bohren
Executive Director

WLSSD 2021 BUDGETED FLOWS AND LOADINGS
FLOW (MGD)

	BUDGET 2020	ESTIMATE 2020	BUDGET 2021
DULUTH	12.700	12.736	12.700
CLOQUET	1.150	1.131	1.150
HERMANTOWN	0.650	0.648	0.650
PROCTOR	0.450	0.433	0.450
ESKO (Includes Helb/Lars)	0.2062	0.212	0.2062
SCANLON	0.169	0.168	0.169
CARLTON	0.150	0.156	0.150
THOMSON (City only)	0.010	0.009	0.010
TWIN LAKES	0.070	0.036	0.070
RICE LAKE	0.060	0.060	0.060
OLIVER	0.022	0.019	0.022
PIKE LAKE	0.100	0.086	0.100
KNIFE RIVER	0.022	0.019	0.022
MPCA LANDFILL	0.002	0.008	0.002
WRENSHALL	0.027	0.029	0.027
JAY COOKE	0.002	0.002	0.002
BUFFALO/MIDWAY	0.0030	0.003	0.0030
DULUTH/NORTH SHORE	0.050	0.048	0.050
MUNICIPAL SUBTOTAL	15.843	15.805	15.843
SAPPI	16.000	15.443	16.000
USG	0.450	0.494	0.450
VERSO DULUTH MILL	3.700	2.331	0.000
SPECIALTY MINERALS	0.240	0.223	0.240
INDUSTRIAL SUBTOTAL	20.390	18.490	16.690
TOTAL FLOW	36.233	34.296	32.533

WLSSD 2021 BUDGETED FLOWS AND LOADINGS
BOD (LBS/DAY)

	BUDGET 2020	ESTIMATE 2020	BUDGET 2021
DULUTH	13,100	13,663	13,100
CLOQUET	1,717	1,635	1,717
HERMANTOWN	1,150	1,100	1,150
PROCTOR	530	488	530
ESKO	263	263	263
(Includes Helb/Lars)			
SCANLON	282	280	282
CARLTON	160	160	160
THOMSON	17	15	17
(City only)			
TWIN LAKES	292	126	292
RICE LAKE	100	100	100
OLIVER	37	32	37
PIKE LAKE	167	143	167
KNIFE RIVER	37	32	37
MPCA LANDFILL	3	2	3
WRENSHALL	45	48	45
JAY COOKE	3	4	3
BUFFALO/MIDWAY	8	7	8
DULUTH/NORTH SHORE	83	79	83
MUNICIPAL SUBTOTAL	17,993	18,178	17,993
SAPPI	42,000	42,254	42,000
USG	1,300	1,305	1,300
VERSO DULUTH MILL	16,500	7,737	0
SPECIALTY MINERALS	6	6	6
INDUSTRIAL SUBTOTAL	59,806	51,301	43,306
TOTAL BOD	77,799	69,479	61,299

**WLSSD 2021 BUDGETED FLOWS AND LOADINGS
SUSPENDED SOLIDS (LBS/DAY)**

	BUDGET 2020	ESTIMATE 2020	BUDGET 2021
DULUTH	15,800	17,998	15,800
CLOQUET	2,522	2,548	2,522
HERMANTOWN	1,100	1,118	1,100
PROCTOR	600	614	600
ESKO	305	305	305
(Includes Helb/Lars)			
SCANLON	282	280	282
CARLTON	183	183	183
THOMSON	17	15	17
(City only)			
TWIN LAKES	262	117	262
RICE LAKE	100	100	100
OLIVER	37	32	37
PIKE LAKE	167	143	167
KNIFE RIVER	37	32	37
MPCA LANDFILL	3	2	3
WRENSHALL	45	48	45
JAY COOKE	3	4	3
BUFFALO/MIDWAY	5	5	5
DULUTH/NORTH SHORE	83	79	83
MUNICIPAL SUBTOTAL	21,551	23,623	21,551
SAPPI	14,000	17,563	14,000
USG	600	883	600
VERSO DULUTH MILL	1,250	1,635	0
SPECIALTY MINERALS	800	225	800
INDUSTRIAL SUBTOTAL	16,650	20,305	15,400
TOTAL DISTRICT	38,201	43,929	36,951

**2021 Budget
Wastewater Unit Costs**

	BUDGET 2020	BUDGET 2021	% CHANGE
<u>VOLUME</u>			
FLOW (MGD)	36.23	32.53	-10.21%
BOD (LBS/DAY)	77,799	61,299	-21.21%
SUSPENDED SOLIDS (LBS/DAY)	38,201	36,951	-3.27%
<u>O & M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.5768	\$0.5957	3.27%
PEAK FLOW	\$0.0426	\$0.0435	2.08%
BOD (COST/LB)	\$0.1721	\$0.2030	17.91%
SUSPENDED SOLIDS (COST/LB)	\$0.3502	\$0.3349	-4.38%
<u>O & M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.7691	\$0.8019	4.26%
PEAK FLOW	\$0.0982	\$0.0990	0.85%
BOD (COST/LB)	\$0.2374	\$0.2539	6.93%
SUSPENDED SOLIDS (COST/LB)	\$0.4319	\$0.3968	-8.12%
DOMESTIC EQUIV (COST/1000GAL)	\$1.9836	\$1.9862	0.13%

**2021 Budget
Wastewater Treatment Charges**

	BUDGET 2020	BUDGET 2021	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,373,756	\$9,397,598	\$23,842	0.25%
CLOQUET	\$992,915	\$1,006,748	\$13,833	1.39%
PROCTOR	\$322,476	\$327,748	\$5,272	1.63%
HERMANTOWN	\$477,916	\$511,351	\$33,435	7.00%
ESKO	\$141,678	\$146,702	\$5,024	3.55%
SCANLON	\$114,198	\$116,873	\$2,675	2.34%
CARLTON	\$114,545	\$113,973	-\$572	-0.50%
RICE LAKE	\$51,698	\$52,159	\$461	0.89%
TWIN LAKE	\$89,385	\$92,756	\$3,371	3.77%
PIKE LAKE	\$72,346	\$77,323	\$4,977	6.88%
KNIFE RIVER	\$18,730	\$20,354	\$1,624	8.67%
OLIVER	\$17,738	\$17,194	-\$544	-3.07%
THOMSON	\$9,025	\$9,371	\$345	3.83%
WRENSHALL	\$21,185	\$22,163	\$978	4.62%
JAY COOKE	\$3,447	\$2,759	-\$688	-19.96%
MIDWAY	\$4,737	\$5,050	\$313	6.60%
MPCA LANDFILL	\$11,318	\$11,827	\$509	4.50%
DULUTH/NORTH SHORE	\$46,005	\$49,443	\$3,439	7.47%
SUBTOTAL	\$11,883,098	\$11,981,391	\$98,293	0.83%
SAPPI	\$11,171,384	\$11,685,656	\$514,272	4.60%
GEORGIA PACIFIC DEBT SERV ONLY	\$55,628	\$32,088	-\$23,539	-42.32%
USG	\$498,623	\$479,239	-\$19,385	-3.89%
VERSO	\$3,363,508	\$1,018,679	-\$2,344,829	-69.71%
SPECIALTY MINERALS	\$269,022	\$225,296	-\$43,725	-16.25%
SUBTOTAL	\$15,358,165	\$13,440,958	-\$1,917,208	-12.48%
TOTAL DISTRICT	\$27,241,263	\$25,422,349	-\$1,818,915	-6.68%

**2021 Budget
Wastewater Treatment Charges**

	BUDGET 2020	BUDGET 2021	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,373,756	\$9,397,598	\$23,842	0.25%
CLOQUET	\$992,915	\$1,006,748	\$13,833	1.39%
PROCTOR	\$322,476	\$327,748	\$5,272	1.63%
HERMANTOWN	\$477,916	\$511,351	\$33,435	7.00%
ESKO	\$141,678	\$146,702	\$5,024	3.55%
SCANLON	\$114,198	\$116,873	\$2,675	2.34%
CARLTON	\$114,545	\$113,973	-\$572	-0.50%
RICE LAKE	\$51,698	\$52,159	\$461	0.89%
TWIN LAKE	\$89,385	\$92,756	\$3,371	3.77%
PIKE LAKE	\$72,346	\$77,323	\$4,977	6.88%
KNIFE RIVER	\$18,730	\$20,354	\$1,624	8.67%
OLIVER	\$17,738	\$17,194	-\$544	-3.07%
THOMSON	\$9,025	\$9,371	\$345	3.83%
WRENSHALL	\$21,185	\$22,163	\$978	4.62%
JAY COOKE	\$3,447	\$2,759	-\$688	-19.96%
MIDWAY	\$4,737	\$5,050	\$313	6.60%
MPCA LANDFILL	\$11,318	\$11,827	\$509	4.50%
DULUTH/NS	\$46,005	\$49,443	\$3,439	7.47%
SUBTOTAL	\$11,883,098	\$11,981,391	\$98,293	0.83%
	<u>Billed Estimate</u>			
SAPPI	\$11,525,515	\$11,685,656	\$160,141	1.39%
GEORGIA PACIFIC DEBT SERV ONLY	\$55,628	\$32,088	-\$23,539	-42.32%
USG	\$544,251	\$479,239	-\$65,013	-11.95%
VERSO	\$2,573,962	\$1,018,679	-\$1,555,283	-60.42%
SPECIALTY MINERALS	\$191,843	\$225,296	\$33,454	17.44%
SUBTOTAL	\$14,891,199	\$13,440,958	-\$1,450,242	-9.74%
TOTAL DISTRICT	\$26,774,297	\$25,422,349	-\$1,351,949	-5.05%

**2021 Budget
O&M Cost Comparison**

	BUDGET 2020	BUDGET 2021	INCREASE (DECREASE)	% CHANGE
DULUTH	\$6,062,566	\$6,220,486	\$157,920	2.60%
CLOQUET	\$708,894	\$722,785	\$13,891	1.96%
PROCTOR	\$219,484	\$225,499	\$6,016	2.74%
HERMANTOWN	\$359,540	\$371,011	\$11,471	3.19%
ESKO	\$102,607	\$105,358	\$2,751	2.68%
SCANLON	\$90,320	\$93,100	\$2,780	3.08%
CARLTON	\$71,761	\$73,712	\$1,951	2.72%
RICE LAKE	\$34,404	\$35,440	\$1,036	3.01%
TWIN LAKE	\$69,045	\$71,401	\$2,356	3.41%
PIKE LAKE	\$54,924	\$56,600	\$1,676	3.05%
KNIFE RIVER	\$13,371	\$13,766	\$396	2.96%
OLIVER	\$12,188	\$12,559	\$371	3.04%
THOMSON	\$5,861	\$6,036	\$175	2.99%
WRENSHALL	\$14,940	\$15,395	\$455	3.04%
JAY COOKE	\$1,182	\$1,217	\$35	2.98%
MIDWAY	\$1,811	\$1,890	\$79	4.34%
MPCA LANDFILL	\$2,271	\$2,329	\$58	2.55%
DULUTH/NORTH SHORE	\$30,472	\$31,373	\$901	2.96%
SUBTOTAL	\$7,855,640	\$8,059,957	\$204,317	2.60%
SAPPI	\$7,921,319	\$8,428,454	\$507,135	6.40%
USG	\$264,781	\$279,396	\$14,616	5.52%
VERSO	\$2,042,311	\$0	-\$2,042,311	-100.00%
SPECIALTY MINERALS	\$157,212	\$154,542	-\$2,670	-1.70%
SUBTOTAL	\$10,385,623	\$8,862,391	-\$1,523,231	-14.67%
TOTAL DISTRICT	\$18,241,263	\$16,922,349	-\$1,318,915	-7.23%

**2021 Budget
Debt Service Costs**

	BUDGET 2020	BUDGET 2021	INCREASE (DECREASE)	% CHANGE
DULUTH	\$3,311,190	\$3,177,112	(\$134,078)	-4.05%
CLOQUET	\$284,021	\$283,962	(\$58)	-0.02%
PROCTOR	\$102,993	\$102,249	(\$744)	-0.72%
HERMANTOWN	\$118,375	\$140,340	\$21,964	18.55%
ESKO	\$39,071	\$41,344	\$2,273	5.82%
SCANLON	\$23,878	\$23,773	(\$105)	-0.44%
CARLTON	\$42,784	\$40,261	(\$2,523)	-5.90%
RICE LAKE	\$17,293	\$16,718	(\$575)	-3.32%
TWIN LAKE	\$20,340	\$21,355	\$1,015	4.99%
PIKE LAKE	\$17,422	\$20,723	\$3,301	18.95%
KNIFE RIVER	\$5,360	\$6,588	\$1,228	22.92%
OLIVER	\$5,550	\$4,635	(\$915)	-16.48%
THOMSON	\$3,164	\$3,334	\$170	5.38%
WRENSHALL	\$6,246	\$6,769	\$523	8.37%
JAY COOKE	\$2,265	\$1,542	(\$723)	-31.93%
MIDWAY	\$2,926	\$3,160	\$234	8.01%
MPCA LANDFILL	\$9,047	\$9,498	\$451	4.99%
DULUTH/NORTH SHORE	\$15,532	\$18,070	\$2,538	16.34%
SUBTOTAL	\$4,027,458	\$3,921,434	(\$106,024)	-2.63%
SAPPI	\$3,250,065	\$3,257,202	\$7,137	0.22%
GEORGIA PACIFIC DEBT SERV ONLY	\$55,628	\$32,088	(\$23,539)	-42.32%
USG	\$233,843	\$199,842	(\$34,000)	-14.54%
VERSO	\$1,321,197	\$1,018,679	(\$302,518)	-22.90%
SPECIALTY MINERALS	\$111,810	\$70,755	(\$41,055)	-36.72%
SUBTOTAL	\$4,972,542	\$4,578,566	(\$393,976)	-7.92%
TOTAL DISTRICT	\$9,000,000	\$8,500,000	(\$500,000)	-5.56%

Western Lake Superior Sanitary District
Billing Detail
2021 Budget

Line No.	Class of Service	Budget Basis	Operating Expenses, based on Actual Flows and Loads				Debt Svc - based on Allocated Flows and Loads				TOTAL			
			Flow	Excess FI	BOD	TSS	TOTAL	FLOW	PEAK FLOW	TOTAL FLOW		BOD	TSS	TOTAL
Municipalities: Duluth-														
1	Duluth	Budget	\$2,761,279	\$557,486	\$970,448	\$1,931,272	\$6,220,486	\$1,327,377	\$983,993	\$2,311,370	\$343,670	\$522,071	\$3,177,112	\$9,397,598
2	Cloquet	Budget	\$250,037	\$37,245	\$127,180	\$308,323	\$722,785	\$107,750	\$71,928	\$179,678	\$37,106	\$67,179	\$283,962	\$1,006,748
3	Proctor	Budget	\$97,841	\$15,057	\$39,262	\$73,339	\$225,499	\$46,346	\$28,756	\$75,102	\$11,575	\$15,572	\$102,249	\$327,748
4	Hermantown	Budget	\$141,325	\$10,038	\$85,192	\$134,456	\$371,011	\$53,727	\$25,608	\$79,334	\$27,234	\$33,771	\$140,340	\$511,351
5	Esko	Budget	\$44,833	\$3,761	\$19,483	\$37,281	\$105,358	\$17,337	\$9,107	\$26,444	\$6,151	\$8,749	\$41,344	\$146,702
6	Scanlon	DE	\$36,745	\$1,016	\$20,883	\$34,456	\$93,100	\$10,211	\$4,871	\$15,082	\$4,132	\$4,559	\$23,773	\$116,873
7	Carlton	Budget	\$32,614	\$6,877	\$11,853	\$22,369	\$73,712	\$20,746	\$12,454	\$33,200	\$2,919	\$4,142	\$40,261	\$113,973
8	Rice Lake	DE	\$13,045	\$2,748	\$7,414	\$12,233	\$35,440	\$6,714	\$4,789	\$11,504	\$2,439	\$2,776	\$16,718	\$52,159
9	Twin Lake	Budget	\$15,220	\$2,589	\$21,624	\$31,969	\$71,401	\$6,806	\$4,641	\$11,447	\$4,633	\$5,274	\$21,355	\$92,756
10	Pike Lake	DE	\$21,742	\$2,112	\$12,357	\$20,388	\$56,600	\$8,551	\$5,281	\$13,831	\$3,249	\$3,643	\$20,723	\$77,323
11	Knife River	DE	\$4,783	\$1,779	\$2,718	\$4,485	\$13,766	\$1,961	\$2,757	\$4,718	\$862	\$1,008	\$6,588	\$20,354
12	Oliver	DE	\$4,783	\$572	\$2,718	\$4,485	\$12,559	\$1,838	\$1,192	\$3,030	\$757	\$848	\$6,535	\$17,194
13	Thomson	DE	\$2,174	\$588	\$1,236	\$2,039	\$6,036	\$1,305	\$966	\$2,272	\$506	\$557	\$3,334	\$9,371
14	Wrenshall	DE	\$5,870	\$683	\$3,336	\$5,505	\$15,395	\$2,880	\$1,437	\$4,317	\$1,160	\$1,291	\$6,769	\$22,163
15	Jay Cooke	DE	\$435	\$127	\$247	\$408	\$1,217	\$537	\$339	\$876	\$299	\$366	\$2,759	\$7,559
16	Midway	DE	\$652	\$70	\$556	\$612	\$1,890	\$1,452	\$832	\$2,283	\$379	\$498	\$3,160	\$5,050
17	MPCA Landfill	DE	\$435	\$1,239	\$247	\$408	\$2,329	\$4,000	\$2,075	\$6,076	\$1,832	\$1,591	\$9,498	\$11,827
18	Unused	DE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	North Shore	DE	\$10,871	\$4,130	\$6,178	\$10,194	\$31,373	\$6,177	\$6,376	\$12,553	\$2,541	\$2,977	\$18,070	\$49,443
21	Totals-Municipalities		\$3,444,685	\$648,117	\$1,332,932	\$2,634,223	\$8,059,957	\$1,625,717	\$1,167,400	\$2,793,117	\$451,445	\$676,873	\$3,921,434	\$11,981,391
Industrials-														
22	Georgia Pacific		\$0	\$0	\$0	\$0	\$0	\$6,797	\$2,718	\$9,515	\$1,745	\$4,829	\$32,088	\$32,088
23	Sappi		\$3,478,777	\$127,062	\$3,111,360	\$1,711,254	\$8,428,454	\$1,203,605	\$483,665	\$1,687,270	\$1,077,090	\$492,842	\$3,257,202	\$11,685,656
24	VERSO		\$0	\$0	\$0	\$0	\$0	\$337,443	\$136,213	\$473,656	\$476,236	\$68,786	\$1,018,679	\$1,018,679
25	USG		\$97,841	\$11,912	\$96,304	\$73,339	\$279,396	\$47,125	\$24,346	\$71,471	\$49,336	\$79,035	\$199,842	\$479,239
27	Specialty Minerals		\$52,182	\$4,130	\$444	\$97,786	\$154,542	\$22,045	\$10,358	\$32,402	\$188	\$38,164	\$70,755	\$225,296
28	Totals-Industrials		\$3,628,799	\$143,104	\$3,208,109	\$1,882,379	\$8,862,391	\$1,617,015	\$657,301	\$2,274,315	\$1,620,595	\$683,656	\$4,578,566	\$13,440,958
30	Totals-All Users		\$7,073,484	\$791,221	\$4,541,041	\$4,516,602	\$16,922,349	\$3,242,731	\$1,824,701	\$5,067,432	\$2,072,039	\$1,360,528	\$8,500,000	\$25,422,349