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Western Lake Superior Sanitary District

September 28, 2021

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

RE: 2022 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2022 budget at the September 27, 2021 board meeting. The Board approved a 4.11% increase in the wastewater budget. The 2022 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charges	\$ 9,368,535
Total Monthly Charge	\$ 780,711

This amount represents a decrease from 2021 of (\$29,062) or (0.31%).

Please note that any year-end adjustment relating to 2021 wastewater charges will be calculated in January 2022 and sent to you under a separate letter.

The District-wide allocation remains unchanged at \$355,000 for 2022. The 2022 District-wide allocation for the City of Duluth is \$221,104. This amount may be paid in two equal installments. The first is due on or before July 1, 2022, and the second on or before December 1, 2022.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Bohren", is written over a horizontal line.

Marianne Bohren
Executive Director

xc: Noah Schuchman, Chief Administrative Officer, City of Duluth

WLSSD 2022 BUDGETED FLOWS AND LOADINGS
FLOW (MGD)

	BUDGET 2021	ESTIMATE 2021	BUDGET 2022
DULUTH	12.700	11.316	12.700
CLOQUET	1.150	0.896	1.150
HERMANTOWN	0.650	0.614	0.650
PROCTOR	0.450	0.369	0.450
ESKO	0.2062	0.165	0.2062
(Includes Helb/Lars)			
SCANLON	0.169	0.121	0.169
CARLTON	0.150	0.146	0.150
THOMSON	0.010	0.008	0.010
(City only)			
TWIN LAKES	0.070	0.028	0.070
RICE LAKE	0.060	0.052	0.060
OLIVER	0.022	0.018	0.022
PIKE LAKE	0.100	0.081	0.100
KNIFE RIVER	0.022	0.018	0.022
MPCA LANDFILL	0.002	0.002	0.002
WRENSHALL	0.027	0.025	0.027
JAY COOKE	0.002	0.002	0.002
BUFFALO/MIDWAY	0.0030	0.004	0.0030
DULUTH/NORTH SHORE	0.050	0.049	0.050
MUNICIPAL SUBTOTAL	15.843	13.914	15.843
SAPPI	16.000	17.456	16.500
USG	0.450	0.483	0.450
ST PAPER 1	0.000	0.455	0.500
SPECIALTY MINERALS	0.240	0.231	0.240
INDUSTRIAL SUBTOTAL	16.690	18.625	17.690
TOTAL FLOW	32.533	32.538	33.533

**WLSSD 2022 BUDGETED FLOWS AND LOADINGS
BOD (LBS/DAY)**

	BUDGET 2021	ESTIMATE 2021	BUDGET 2022
DULUTH	13,100	14,025	13,100
CLOQUET	1,717	1,337	1,717
HERMANTOWN	1,150	1,023	1,150
PROCTOR	530	452	530
ESKO	263	263	263
(Includes Helb/Lars)			
SCANLON	282	202	282
CARLTON	160	160	160
THOMSON	17	14	17
(City only)			
TWIN LAKES	292	115	292
RICE LAKE	100	87	100
OLIVER	37	29	37
PIKE LAKE	167	136	167
KNIFE RIVER	37	30	37
MPCA LANDFILL	3	3	3
WRENSHALL	45	41	45
JAY COOKE	3	4	3
BUFFALO/MIDWAY	8	9	8
DULUTH/NORTH SHORE	83	81	83
MUNICIPAL SUBTOTAL	17,993	18,011	17,993
SAPPI	42,000	44,958	42,500
USG	1,300	1,655	1,450
ST PAPER 1	0	12	15
SPECIALTY MINERALS	6	6	6
INDUSTRIAL SUBTOTAL	43,306	46,631	43,971
TOTAL BOD	61,299	64,642	61,964

**WLSSD 2022 BUDGETED FLOWS AND LOADINGS
SUSPENDED SOLIDS (LBS/DAY)**

	BUDGET 2021	ESTIMATE 2021	BUDGET 2022
DULUTH	15,800	18,510	16,100
CLOQUET	2,522	1,964	2,522
HERMANTOWN	1,100	1,015	1,100
PROCTOR	600	577	600
ESKO	305	305	305
(Includes Helb/Lars)			
SCANLON	282	202	282
CARLTON	183	183	183
THOMSON	17	14	17
(City only)			
TWIN LAKES	262	103	262
RICE LAKE	100	87	100
OLIVER	37	29	37
PIKE LAKE	167	136	167
KNIFE RIVER	37	30	37
MPCA LANDFILL	3	3	3
WRENSHALL	45	41	45
JAY COOKE	3	4	3
BUFFALO/MIDWAY	5	7	5
DULUTH/NORTH SHORE	83	81	83
MUNICIPAL SUBTOTAL	21,551	23,291	21,851
SAPPI	14,000	19,957	16,500
USG	600	1,488	1,100
ST PAPER 1	0	25	23
SPECIALTY MINERALS	800	330	300
INDUSTRIAL SUBTOTAL	15,400	21,800	17,923
TOTAL DISTRICT	36,951	45,091	39,774

**2022 Budget
Wastewater Unit Costs**

	BUDGET 2021	BUDGET 2022	% CHANGE
<u>VOLUME</u>			
FLOW (MGD)	32.53	33.53	3.07%
BOD (LBS/DAY)	61,299	61,964	1.08%
SUSPENDED SOLIDS (LBS/DAY)	36,951	39,774	7.64%
<u>O & M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.5957	\$0.6415	7.69%
PEAK FLOW	\$0.0435	\$0.0315	-27.56%
BOD (COST/LB)	\$0.2030	\$0.2055	1.27%
SUSPENDED SOLIDS (COST/LB)	\$0.3349	\$0.3189	-4.78%
<u>O & M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.8019	\$0.8614	7.42%
PEAK FLOW	\$0.0990	\$0.0851	-14.00%
BOD (COST/LB)	\$0.2539	\$0.2580	1.61%
SUSPENDED SOLIDS (COST/LB)	\$0.3968	\$0.3781	-4.70%
DOMESTIC EQUIV (COST/1000GAL)	\$1.9862	\$2.0075	1.07%

**2022 Budget
Wastewater Treatment Charges**

	BUDGET 2021	BUDGET 2022	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,397,598	\$9,368,535	-\$29,062	-0.31%
CLOQUET	\$1,006,748	\$1,053,638	\$46,891	4.66%
PROCTOR	\$327,748	\$341,820	\$14,072	4.29%
HERMANTOWN	\$511,351	\$578,737	\$67,387	13.18%
ESKO	\$146,702	\$162,337	\$15,635	10.66%
SCANLON	\$116,873	\$136,329	\$19,456	16.65%
CARLTON	\$113,973	\$117,347	\$3,373	2.96%
RICE LAKE	\$52,159	\$54,023	\$1,865	3.58%
TWIN LAKE	\$92,756	\$96,707	\$3,951	4.26%
PIKE LAKE	\$77,323	\$82,205	\$4,882	6.31%
KNIFE RIVER	\$20,354	\$19,976	-\$378	-1.86%
OLIVER	\$17,194	\$18,215	\$1,021	5.94%
THOMSON	\$9,371	\$9,874	\$503	5.37%
WRENSHALL	\$22,163	\$24,209	\$2,045	9.23%
JAY COOKE	\$2,759	\$2,515	-\$244	-8.85%
MIDWAY	\$5,050	\$4,902	-\$148	-2.93%
MPCA LANDFILL	\$11,827	\$9,049	-\$2,778	-23.49%
DULUTH/NORTH SHORE	\$49,443	\$48,068	-\$1,375	-2.78%
SUBTOTAL	\$11,981,391	\$12,128,486	\$147,095	1.23%
SAPPI	\$11,685,656	\$12,431,269	\$745,614	6.38%
GEORGIA PACIFIC DEBT SERV ONLY	\$32,088	\$19,881	-\$12,207	-38.04%
USG	\$479,239	\$542,890	\$63,652	13.28%
ST PAPER 1	\$1,018,679	\$1,188,398	\$169,719	16.66%
SPECIALTY MINERALS	\$225,296	\$155,224	-\$70,072	-31.10%
SUBTOTAL	\$13,440,958	\$14,337,663	\$896,705	6.67%
TOTAL DISTRICT	\$25,422,349	\$26,466,149	\$1,043,801	4.11%

**2022 Budget
Wastewater Treatment Charges**

	BUDGET 2021	BUDGET 2022	INCREASE (DECREASE)	% CHANGE
DULUTH	\$9,397,598	\$9,368,535	-\$29,062	-0.31%
CLOQUET	\$1,006,748	\$1,053,638	\$46,891	4.66%
PROCTOR	\$327,748	\$341,820	\$14,072	4.29%
HERMANTOWN	\$511,351	\$578,737	\$67,387	13.18%
ESKO	\$146,702	\$162,337	\$15,635	10.66%
SCANLON	\$116,873	\$136,329	\$19,456	16.65%
CARLTON	\$113,973	\$117,347	\$3,373	2.96%
RICE LAKE	\$52,159	\$54,023	\$1,865	3.58%
TWIN LAKE	\$92,756	\$96,707	\$3,951	4.26%
PIKE LAKE	\$77,323	\$82,205	\$4,882	6.31%
KNIFE RIVER	\$20,354	\$19,976	-\$378	-1.86%
OLIVER	\$17,194	\$18,215	\$1,021	5.94%
THOMSON	\$9,371	\$9,874	\$503	5.37%
WRENSHALL	\$22,163	\$24,209	\$2,045	9.23%
JAY COOKE	\$2,759	\$2,515	-\$244	-8.85%
MIDWAY	\$5,050	\$4,902	-\$148	-2.93%
MPCA LANDFILL	\$11,827	\$9,049	-\$2,778	-23.49%
DULUTH/NS	\$49,443	\$48,068	-\$1,375	-2.78%
SUBTOTAL	\$11,981,391	\$12,128,486	\$147,095	1.23%
	<u>Billed Estimate</u>			
SAPPI	\$12,870,258	\$12,431,269	-\$438,988	-3.41%
GEORGIA PACIFIC DEBT SERV ONLY	\$32,088	\$19,881	-\$12,207	-38.04%
USG	\$624,575	\$542,890	-\$81,684	-13.08%
ST PAPER 1 *	\$1,139,910	\$1,188,398	\$48,488	4.25%
<i>*Billed Estimate Reflects Entire Year for 2021</i>				
SPECIALTY MINERALS	\$157,200	\$155,224	-\$1,976	-1.26%
SUBTOTAL	\$14,824,031	\$14,337,663	-\$486,368	-3.28%
TOTAL DISTRICT	\$26,805,422	\$26,466,149	-\$339,272	-1.27%

**2022 Budget
O&M Cost Comparison**

	BUDGET 2021	BUDGET 2022	INCREASE (DECREASE)	% CHANGE
DULUTH	\$6,220,486	\$6,234,031	\$13,545	0.22%
CLOQUET	\$722,785	\$741,683	\$18,898	2.61%
PROCTOR	\$225,499	\$232,675	\$7,176	3.18%
HERMANTOWN	\$371,011	\$402,733	\$31,723	8.55%
ESKO	\$105,358	\$112,641	\$7,284	6.91%
SCANLON	\$93,100	\$103,087	\$9,987	10.73%
CARLTON	\$73,712	\$75,441	\$1,729	2.35%
RICE LAKE	\$35,440	\$36,656	\$1,216	3.43%
TWIN LAKE	\$71,401	\$72,526	\$1,124	1.57%
PIKE LAKE	\$56,600	\$59,368	\$2,768	4.89%
KNIFE RIVER	\$13,766	\$13,464	-\$302	-2.20%
OLIVER	\$12,559	\$13,072	\$513	4.09%
THOMSON	\$6,036	\$6,109	\$73	1.21%
WRENSHALL	\$15,395	\$16,357	\$963	6.25%
JAY COOKE	\$1,217	\$1,199	-\$18	-1.47%
MIDWAY	\$1,890	\$1,899	\$9	0.46%
MPCA LANDFILL	\$2,329	\$1,544	-\$785	-33.69%
DULUTH/NORTH SHORE	\$31,373	\$30,662	-\$711	-2.27%
SUBTOTAL	\$8,059,957	\$8,155,148	\$95,191	1.18%
SAPPI	\$8,428,454	\$9,058,491	\$630,037	7.48%
USG	\$279,396	\$350,801	\$71,405	25.56%
ST PAPER 1	\$0	\$207,158	\$207,158	
SPECIALTY MINERALS	\$154,542	\$94,551	-\$59,991	-38.82%
SUBTOTAL	\$8,862,391	\$9,711,001	\$848,610	9.58%
TOTAL DISTRICT	\$16,922,349	\$17,866,149	\$943,801	5.58%

**2022 Budget
Debt Service Costs**

	BUDGET 2021	BUDGET 2022	INCREASE (DECREASE)	% CHANGE
DULUTH	\$3,177,112	\$3,134,505	(\$42,607)	-1.34%
CLOQUET	\$283,962	\$311,955	\$27,992	9.86%
PROCTOR	\$102,249	\$109,146	\$6,897	6.75%
HERMANTOWN	\$140,340	\$176,004	\$35,664	25.41%
ESKO	\$41,344	\$49,695	\$8,352	20.20%
SCANLON	\$23,773	\$33,242	\$9,469	39.83%
CARLTON	\$40,261	\$41,905	\$1,644	4.08%
RICE LAKE	\$16,718	\$17,367	\$649	3.88%
TWIN LAKE	\$21,355	\$24,181	\$2,826	13.23%
PIKE LAKE	\$20,723	\$22,837	\$2,114	10.20%
KNIFE RIVER	\$6,588	\$6,513	(\$75)	-1.14%
OLIVER	\$4,635	\$5,142	\$507	10.94%
THOMSON	\$3,334	\$3,765	\$430	12.90%
WRENSHALL	\$6,769	\$7,852	\$1,083	16.00%
JAY COOKE	\$1,542	\$1,316	(\$226)	-14.67%
MIDWAY	\$3,160	\$3,003	(\$157)	-4.96%
MPCA LANDFILL	\$9,498	\$7,505	(\$1,993)	-20.99%
DULUTH/NORTH SHORE SUBTOTAL	\$18,070 \$3,921,434	\$17,406 \$3,973,338	(\$664) \$51,904	-3.68% 1.32%
SAPPI	\$3,257,202	\$3,372,779	\$115,576	3.55%
GEORGIA PACIFIC DEBT SERV ONLY	\$32,088	\$19,881	(\$12,207)	-38.04%
USG	\$199,842	\$192,089	(\$7,753)	-3.88%
ST PAPER 1	\$1,018,679	\$981,240	(\$37,439)	-3.68%
SPECIALTY MINERALS SUBTOTAL	\$70,755 \$4,578,566	\$60,673 \$4,626,662	(\$10,082) \$48,096	-14.25% 1.05%
TOTAL DISTRICT	\$8,500,000	\$8,600,000	\$100,000	1.18%

Western Lake Superior Sanitary District
Billing Detail
2022 Budget

Line No.	Class of Service	Budget Basis	Operating Expenses, based on Actual Flows and Loads				TOTAL	Debt Svc - based on Allocated Flows and Loads				TOTAL		
			Flow	Excess FI	BOD	TSS		FLOW	PEAK FLOW	TOTAL FLOW	BOD		TSS	TOTAL
Municipalities- Duluth-														
1	Duluth	Budget	\$2,973,587	\$403,817	\$982,813	\$1,873,813	\$6,234,031	\$1,376,070	\$935,381	\$2,311,451	\$323,993	\$499,061	\$3,134,505	\$9,368,535
2	Cloquet	Budget	\$269,262	\$50,046	\$128,800	\$293,576	\$741,683	\$112,433	\$93,376	\$205,809	\$37,109	\$69,037	\$311,955	\$1,053,638
3	Proctor	Budget	\$105,363	\$17,717	\$39,763	\$69,832	\$232,675	\$48,415	\$34,198	\$82,613	\$11,336	\$15,197	\$109,146	\$341,820
4	Hermantown	Budget	\$152,191	\$36,240	\$86,277	\$128,025	\$402,733	\$58,777	\$52,227	\$111,004	\$29,542	\$35,458	\$176,004	\$578,737
5	Esko	Budget	\$48,280	\$9,132	\$19,731	\$35,498	\$112,641	\$18,516	\$15,106	\$33,622	\$6,621	\$9,453	\$49,695	\$162,337
6	Scanlon	DE	\$39,570	\$9,560	\$21,149	\$32,808	\$103,087	\$11,466	\$12,190	\$23,655	\$4,566	\$5,020	\$33,242	\$136,329
7	Carlton	Budget	\$35,121	\$7,018	\$12,004	\$21,299	\$75,441	\$21,167	\$13,454	\$34,621	\$3,096	\$4,188	\$17,347	\$54,023
8	Rice Lake	DE	\$14,048	\$3,451	\$7,508	\$11,648	\$36,656	\$6,842	\$5,302	\$12,144	\$2,468	\$2,755	\$17,367	\$54,023
9	Twin Lake	Budget	\$16,390	\$3,797	\$21,899	\$30,440	\$72,526	\$7,217	\$6,489	\$13,707	\$5,013	\$5,461	\$24,181	\$66,707
10	Pike Lake	DE	\$23,414	\$4,027	\$12,514	\$19,413	\$59,368	\$8,665	\$7,327	\$16,012	\$3,235	\$3,590	\$22,837	\$82,205
11	Knife River	DE	\$5,151	\$1,289	\$2,753	\$4,271	\$13,464	\$2,081	\$2,622	\$4,703	\$851	\$958	\$6,513	\$19,976
12	Oliver	DE	\$5,151	\$897	\$2,753	\$4,271	\$13,072	\$1,914	\$1,620	\$3,535	\$761	\$846	\$5,142	\$18,215
13	Thomson	DE	\$2,341	\$575	\$1,251	\$1,941	\$6,109	\$1,412	\$1,070	\$2,482	\$614	\$669	\$3,765	\$9,874
14	Wrenshall	DE	\$6,322	\$1,415	\$3,379	\$5,242	\$16,357	\$3,115	\$2,149	\$5,264	\$1,226	\$1,361	\$7,852	\$24,209
15	Jay Cooke	DE	\$468	\$92	\$250	\$388	\$1,189	\$518	\$300	\$818	\$229	\$269	\$1,316	\$2,515
16	Midway	DE	\$702	\$51	\$563	\$682	\$1,899	\$1,376	\$772	\$2,148	\$374	\$481	\$3,003	\$4,902
17	MPCA Landfill	DE	\$468	\$437	\$250	\$388	\$1,544	\$3,317	\$1,578	\$4,894	\$1,220	\$1,390	\$7,505	\$9,049
18	Unused	DE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	North Shore	DE	\$11,707	\$2,991	\$6,257	\$9,707	\$30,662	\$6,177	\$6,066	\$12,243	\$2,425	\$2,738	\$17,406	\$48,068
21	Totals-Municipalities		\$3,709,539	\$552,553	\$1,349,916	\$2,543,141	\$8,155,148	\$1,689,497	\$1,191,227	\$2,880,725	\$434,680	\$657,933	\$3,973,338	\$12,128,486
Industrials-														
22	Georgia Pacific		\$0	\$0	\$0	\$0	\$0	\$4,748	\$1,852	\$6,600	\$10,679	\$2,603	\$19,881	\$19,881
23	Seppi		\$3,863,322	\$86,286	\$3,188,515	\$1,920,368	\$9,058,491	\$1,314,181	\$469,647	\$1,783,828	\$1,075,809	\$513,141	\$3,372,779	\$12,431,269
24	ST Paper 1		\$117,070	\$86,286	\$1,125	\$2,677	\$207,158	\$335,237	\$156,549	\$491,766	\$434,712	\$54,742	\$981,240	\$1,188,398
25	USG		\$105,363	\$8,629	\$108,785	\$128,025	\$350,801	\$48,766	\$23,482	\$72,248	\$43,182	\$76,659	\$192,089	\$542,890
27	Specialty Minerals		\$56,194	\$2,991	\$450	\$34,916	\$94,561	\$21,776	\$9,784	\$31,560	\$166	\$28,947	\$60,673	\$155,224
28	Totals-Industrials		\$4,141,950	\$184,191	\$3,298,875	\$2,085,985	\$9,711,001	\$1,724,707	\$661,315	\$2,386,022	\$1,564,548	\$676,092	\$4,626,662	\$14,337,663
30	Totals-All Users		\$7,851,488	\$736,744	\$4,648,791	\$4,629,126	\$17,866,149	\$3,414,205	\$1,852,542	\$5,266,747	\$1,999,228	\$1,334,025	\$8,600,000	\$26,466,149

**WLSSD DISTRICT-WIDE ALLOCATION
2022 BUDGET**

	TAX CAPACITY VALUE 2021 (THOUSANDS)			% OF TOTAL	DWA 2021	TAX CAPACITY VALUE 2022 (THOUSANDS)			% OF TOTAL	DWA 2022
<u>ST. LOUIS COUNTY</u>										
DULUTH	\$84,237	61.99%	\$220,074			\$87,700	62.28%	\$221,104		
HERMANTOWN	\$14,736	10.84%	\$38,499			\$14,844	10.54%	\$37,424		
PROCTOR	\$2,841	2.09%	\$7,422			\$2,839	2.02%	\$7,158		
CANOSIA	\$2,791	2.05%	\$7,292			\$2,901	2.06%	\$7,314		
DULUTH TOWNSHIP	\$635	0.47%	\$1,660			\$655	0.47%	\$1,651		
GRAND LAKE	\$3,315	2.44%	\$8,661			\$3,438	2.44%	\$8,668		
LAKEWOOD *	\$641	0.47%	\$1,674			\$674	0.48%	\$1,699		
MIDWAY *	\$546	0.40%	\$1,426			\$537	0.38%	\$1,354		
RICE LAKE	\$3,745	2.76%	\$9,784			\$3,968	2.82%	\$10,004		
SOLWAY *	\$549	0.40%	\$1,434			\$546	0.39%	\$1,376		
SUBTOTAL	\$114,036	83.92%	\$297,925			\$118,102	83.87%	\$297,751		
<u>CARLTON COUNTY</u>										
CARLTON/THOMSON	\$723	0.53%	\$1,889			\$704	0.50%	\$1,775		
CLOQUET	\$9,378	6.90%	\$24,501			\$9,609	6.82%	\$24,226		
SCANLON	\$837	0.62%	\$2,187			\$881	0.63%	\$2,221		
WRENSHALL	\$379	0.28%	\$990			\$394	0.28%	\$993		
SILVERBROOK*	\$595	0.44%	\$1,553			\$629	0.45%	\$1,585		
THOMSON TOWNSHIP	\$6,662	4.90%	\$17,405			\$6,990	4.96%	\$17,623		
TWIN LAKES	\$3,273	2.41%	\$8,551			\$3,501	2.49%	\$8,826		
SUBTOTAL	\$21,847	16.08%	\$57,075			\$22,708	16.13%	\$57,249		
TOTAL DWA	\$135,882	100.00%	\$355,000			\$140,810	100.00%	\$355,000		

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