

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, February 19, 2019

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. New business:
 - 3.1 Middle booster station
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business
8. Known absences for future meetings

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
January 15, 2019

Members Present: Councilor Arik Forsman, Jennifer Julsrud, Rob Prusak, Carrie Ryan, Councilor Joel Sipress, Councilor Em Westerlund

Members Absent: Chris McIntosh

Staff Present: Bob Asleson, Jim Benning, Leanna Gilbert, Eric Shaffer, Glenn Strid, Kerry Venier

Call to Order: President Prusak called the meeting to order at 5:15 p.m.

Approval of previous meeting minutes

Old business:

Stormwater system discussion

Eric Shaffer reported that staff is almost done with the requested modifications to the stormwater presentation. Staff will send this out to commissioners to review when it is ready. Implementation of the public education process will be delayed due to timing issues.

New business:

2019 term expirations

Commissioner Julsrud is resigning after today. Terms for Chris McIntosh and Councilor Em Westerlund expire on March 31st. There are currently two eligible applicants for the City Council to consider as a replacement for Commissioner Julsrud. A new commissioner would need to be appointed at the February 11 City Council meeting.

Election of officers

Commissioner Julsrud nominated Commissioner Prusak for President. Commissioner Julsrud nominated Commissioner Ryan for Vice President. All present voted in favor of the nominations.

Updates from staff

Eric Shaffer gave an update on Middle booster station. One of the pumps is offline because the control panel died, another pump needs work, and the third pump is okay. If we do not want to bond to rebuild the pump station, we should instead do a full electrical upgrade. There was some discussion about the estimated costs of this project and other details. Staff will have more information for the next meeting.

Upcoming Council actions

No upcoming actions were mentioned.

Commissioner questions and comments

President Prusak said that he appreciates all that Commissioner Julsrud has done for the Commission.

Commissioner Julsrud said that she hopes the Commission keeps the politics out of utility rate discussions and that everyone recognizes their role and the balancing act sometimes necessary.

Commissioner Sipress thanked Commissioner Julsrud.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, February 19, 2019 at 5:15 p.m. in City Council Chambers. Staff will have more information on Middle pump station. We should take a tour when it is a little warmer.

Known absences for future meetings

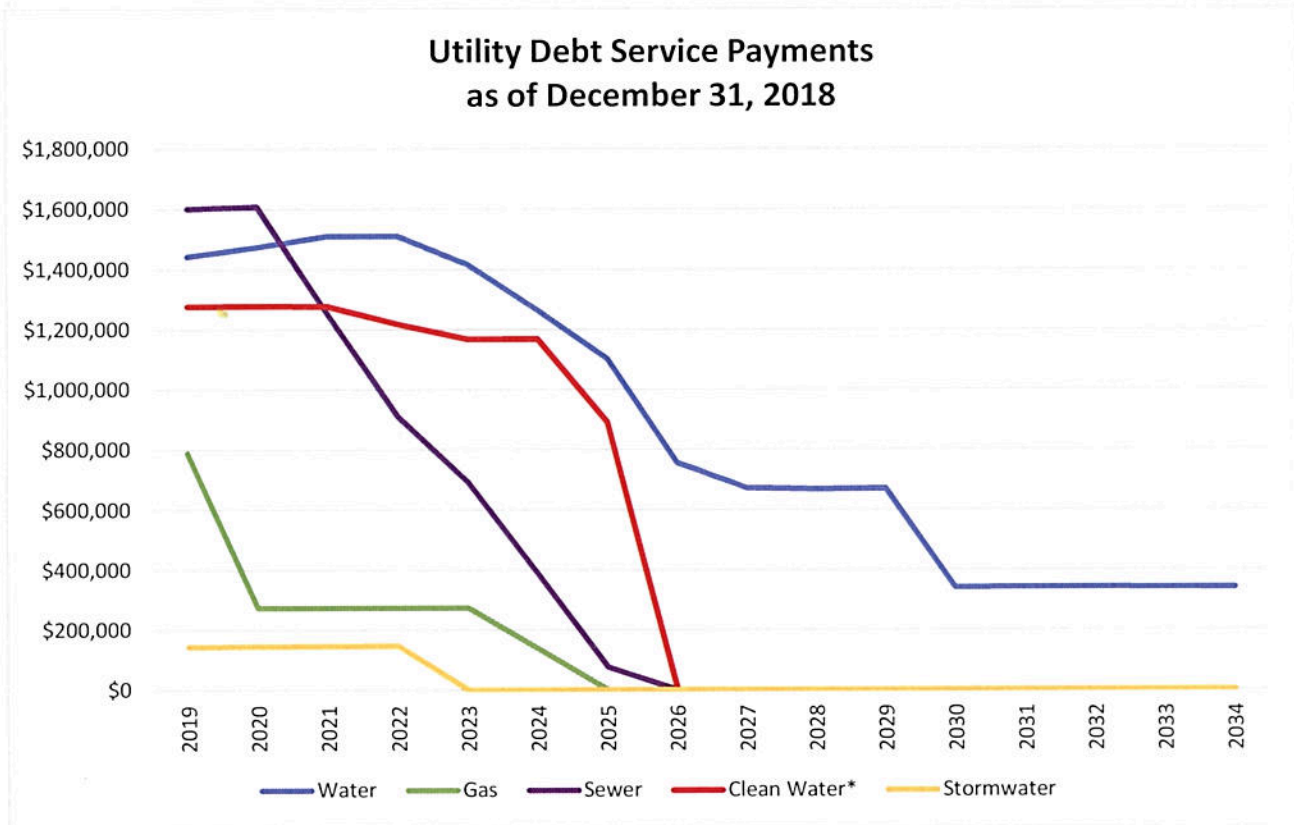
No absences were mentioned.

Adjournment: The meeting was adjourned at 5:58 p.m.

**UTILITY DEBT SERVICE PAYMENTS
AS OF 12/31/2018**

Year	Water	Gas	Sewer	Clean Water*	Stormwater
2019	\$ 1,444,785.37	\$ 789,547.91	\$ 1,602,633.20	\$ 1,278,889.39	\$ 143,900.00
2020	\$ 1,475,364.64	\$ 274,447.91	\$ 1,609,043.42	\$ 1,280,107.35	\$ 145,575.00
2021	\$ 1,511,505.26	\$ 274,447.90	\$ 1,254,983.46	\$ 1,278,918.82	\$ 146,450.00
2022	\$ 1,511,708.31	\$ 274,447.91	\$ 911,255.73	\$ 1,219,928.96	\$ 147,175.00
2023	\$ 1,418,891.78	\$ 274,447.91	\$ 693,615.17	\$ 1,169,778.08	\$ -
2024	\$ 1,266,450.58	\$ 137,223.95	\$ 388,725.73	\$ 1,169,985.55	\$ -
2025	\$ 1,104,018.08	\$ -	\$ 76,500.00	\$ 893,095.56	\$ -
2026	\$ 758,279.78	\$ -	\$ -	\$ -	\$ -
2027	\$ 673,087.50	\$ -	\$ -	\$ -	\$ -
2028	\$ 669,692.50	\$ -	\$ -	\$ -	\$ -
2029	\$ 671,042.50	\$ -	\$ -	\$ -	\$ -
2030	\$ 341,062.50	\$ -	\$ -	\$ -	\$ -
2031	\$ 341,871.88	\$ -	\$ -	\$ -	\$ -
2032	\$ 341,987.51	\$ -	\$ -	\$ -	\$ -
2033	\$ 341,587.51	\$ -	\$ -	\$ -	\$ -
2034	\$ 340,653.13	\$ -	\$ -	\$ -	\$ -
	\$ 14,211,988.83	\$ 2,024,563.49	\$ 6,536,756.71	\$ 8,290,703.71	\$ 583,100.00

* Clean Water Fund sunsets June 2028.



Includes total principal and interest payments on all Bonds, Notes and Capital Leases.

2019 Sanitary Sewer Variable Rate Decrease due to Treatment Cost Adjustments

2/7/2019

Decrease

-1.006%

	Effective March 1, 2019	Effective March 1, 2018	\$ Difference per ccf
Customer Fixed Charge	\$5.89	\$5.89	no change
<u>Rate per ccf:</u>			
User Charge - Class I	\$5.68	\$5.74	-\$0.06
User Charge - Class II	\$7.88	\$7.96	-\$0.08
User Charge - Class III	\$9.71	\$9.81	-\$0.10
User Charge - Class IV	\$15.54	\$15.70	-\$0.16
User Charge - Class IX	\$3.41	\$3.44	-\$0.03



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Western Lake Superior Sanitary District
February 1, 2019

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

Subject: 2018 Wastewater Treatment Year-End Adjustments

Dear Mr. Benning:

At the close of each year, we notify our wastewater treatment users of the year-end adjustment based on the actual flow and load data, and treatment costs.

For 2018, the WLSSD Board has approved total wastewater charges of \$26,855,826 as shown in the attached comparison of billed (budget) to required charges (actual) for 2018. Each wastewater user will receive additional charges or credits based upon their actual flows and loads as compared to budget. This amount will be spread evenly over the 12-month period in 2019.

Attached is a table summarizing the 2018 billing as compared to the 2018 required actual. For Duluth the total year-end adjustment for 2018 is a credit of \$213,181. This will be included as a \$17,765/month credit on your 2019 monthly billing.

Please contact me at 740-4805 if you have any questions.

Sincerely,

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

Marianne Bohren
Executive Director

xc: Eric Schaffer

Attachment

2018 Year End Adjustment

	BILLED 2018	REQUIRED 2018	YEAR-END ADJUSTMENT
DULUTH	9,094,981	8,881,800	(\$213,181)
CLOQUET	981,235	873,786	(\$107,449)
PROCTOR	302,046	359,284	\$57,238
HERMANTOWN	458,391	461,668	\$3,277
ESKO	130,903	130,222	(\$681)
SCANLON	104,182	107,780	\$3,598
CARLTON	105,714	106,785	\$1,070
RICE LAKE	49,285	47,365	(\$1,920)
TWIN LAKE	77,537	71,570	(\$5,967)
PIKE LAKE	67,734	60,379	(\$7,355)
KNIFE RIVER	\$17,617	15,026	(\$2,591)
OLIVER	16,974	16,577	(\$397)
THOMSON	8,574	7,363	(\$1,211)
WRENSHALL	19,092	19,856	\$764
JAY COOKE	3,426	4,098	\$672
MIDWAY	4,567	4,594	\$27
MPCA LANDFILL	11,374	10,381	(\$993)
DULUTH/NORTH	43,398	41,959	(\$1,439)
MUNICIPALITIES	11,497,033	11,220,494	(\$276,538)
SAPPI	11,041,117	11,254,946	\$213,829
GEORGIA PACIF	69,809	69,809	\$0
USG	506,642	505,893	(\$749)
VERSO	3,491,170	3,558,272	\$67,102
SPECIALTY MINI	250,055	246,412	(\$3,643)
INDUSTRIES SU	15,358,793	\$15,635,332	\$276,539
TOTAL DISTRICT	\$26,855,826	\$26,855,826	\$0

Table 5

USER'S WASTEWATER FLOW AND STRENGTH CHARACTERISTICS
 Flow and Strength Characteristics
 Western Lake Superior Sanitary District
 2018 Year End Adjustment

Line No.	Class of Service	Billing Basis	Notes	Base Flow		Peak Flow		BOD		TSS		
				Actual (Mgd)	Allocated (Mgd)	Actual (Mgd)	Allocated (Mgd)	Actual (Lbs./Day)	Allocated (Lbs./Day)	Actual (Lbs./Day)	Allocated (Lbs./Day)	
Municipalities:												
1	Duluth	Budget		11.370	17.325	92.344	92.344	13,486	18,500	15,520	23,000	
2	Cloquet	Budget		1.006	1.470	5.047	5.750	1,375	2,010	2,365	3,450	
3	Proctor	Budget		0.403	0.604	2.474	2.474	781	781	958	958	
4	Hermantown	Budget		0.624	0.760	3.160	3.530	1,172	1,600	1,091	1,600	
5	Esko	Budget		0.170	0.240	1.249	1.249	255	320	280	420	
6	Scanlon	DE		0.157	0.160	0.802	0.830	262	262	262	262	
7	Carlton	Budget		0.149	0.270	1.056	1.056	130	157	160	205	
8	Rice Lake	DE		0.056	0.080	0.344	0.344	94	125	94	125	
9	Twin Lake	Budget		0.067	0.090	0.275	0.400	207	280	207	280	
10	Pike Lake	DE		0.084	0.110	0.314	0.450	140	185	140	185	
11	Knife River	DE		0.017	0.027	0.193	0.193	29	46	29	46	
12	Oliver	DE		0.020	0.024	0.152	0.152	33	41	33	41	
13	Thomson	DE		0.008	0.015	0.060	0.060	13	24	13	24	
14	Wrenshall	DE		0.026	0.042	0.157	0.057	43	69	43	69	
15	Jay Cooke	DE		0.002	0.005	0.095	0.095	3	8	3	8	
16	Midway	DE		0.003	0.004	0.007	0.007	7	8	5	8	
17	MPCA Landfill	DE		0.002	0.042	0.080	0.080	4	70	4	70	
18	Unused	DE		0.000	0.000	0.000	0.000	0	0	0	0	
19	North Shore	DE		0.049	0.075	0.414	0.414	82	125	82	125	
20	Totals-Municipalities			14,213	21,343	108,225	109,486	18,116	24,611	21,289	30,876	
Industrials:												
21	Unused	Budget		0.000	0.000	0.000	0.000	0	0	0	0	
22	SAPPI	Budget		16.470	16.470	31.775	31.775	42,787	56,000	16,967	25,000	
23	Verso Duluth Mill	Budget		4.384	5.500	9.709	9.709	18,114	28,758	1,811	2,700	
24	USG	Budget		0.492	0.580	1.257	1.257	1,426	2,000	686	2,800	
25	Specialty	Budget		0.264	0.264	0.439	0.500	7	8	653	1,400	
26	Totals-Industrials			21.611	22.815	43.180	43.241	62,334	86,766	20,117	31,900	
27	Totals-All Users			35.824	44.158	151.405	152.727	80,450	111,377	41,406	62,776	

1/28/2019 BOD, and TSS strengths are computed using the District's standard domestic equivalent strengths. Formula: Flow x Strength(Mg/l) x 8.34.
 Standard domestic equivalent strengths for the District are: BOD-200 Mg/l, TSS-350 Mg/l.

**2018 Year End Adjustment
Wastewater Unit Costs**

<u>VOLUME</u>	BUDGET 2018	REQUIRED 2018	% CHANGE
FLOW (MGD)	36.40	35.82	-1.58%
BOD (LBS/DAY)	84,990	80,450	-5.34%
SUSPENDED SOLIDS (LBS/DAY)	39,557	41,406	4.67%
 <u>O & M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.5570	\$0.5759	3.40%
PEAK FLOW	\$0.0416	\$0.0199	-52.26%
BOD (COST/LB)	\$0.1507	\$0.1625	7.86%
SUSPENDED SOLIDS (COST/LB)	\$0.3199	\$0.3120	-2.45%
 <u>O & M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.7468	\$0.7655	2.51%
PEAK FLOW	\$0.0968	\$0.0711	-26.51%
BOD (COST/LB)	\$0.2168	\$0.2286	5.46%
SUSPENDED SOLIDS (COST/LB)	\$0.4029	\$0.3951	-1.95%
DOMESTIC EQUIV (COST/1000GAL)	\$1.8772	\$1.8769	-0.02%

Western Lake Superior Sanitary District
Billing Detail
2018 Year End Adjustment

Line No.	Class of Service	Operating Expenses, based on Actual Flows and Loads				Debt Svc - based on Allocated Flows and Loads				TOTAL		
		Budget Basis	Flow	Excess FI	BOD	TSS	Flow	PEAK FLOW	TOTAL FLOW		BOD	TSS
Municipalities: Duluth-												
1	Duluth	\$2,389,820	\$587,268	\$799,913	\$1,767,647	\$5,544,648	\$1,248,451	\$2,234,685	\$449,142	\$653,326	\$3,337,153	\$8,681,800
2	Cloquet	\$211,367	\$29,313	\$81,557	\$269,361	\$591,598	\$96,904	\$166,944	\$44,054	\$71,190	\$282,188	\$873,786
3	Proctor	\$84,665	\$15,023	\$46,324	\$109,111	\$255,123	\$42,222	\$71,101	\$13,973	\$19,087	\$104,161	\$359,284
4	Hermantown	\$131,180	\$18,394	\$69,516	\$124,259	\$343,349	\$40,894	\$65,852	\$22,103	\$30,365	\$118,319	\$461,668
5	Esko	\$35,690	\$7,930	\$15,125	\$31,891	\$90,536	\$14,634	\$24,588	\$6,294	\$8,804	\$39,686	\$130,222
6	Scanlon	\$33,000	\$4,679	\$15,540	\$29,840	\$83,059	\$9,283	\$16,085	\$4,102	\$4,534	\$24,721	\$107,780
7	Carlton	\$31,339	\$6,574	\$7,711	\$18,223	\$63,847	\$20,572	\$34,831	\$3,343	\$3,474	\$42,938	\$106,785
8	Rice Lake	\$11,834	\$2,088	\$5,576	\$10,706	\$30,203	\$6,450	\$11,038	\$2,701	\$3,423	\$17,162	\$47,365
9	Twin Lake	\$14,062	\$1,509	\$12,278	\$23,576	\$51,425	\$6,079	\$10,451	\$4,587	\$5,107	\$20,145	\$71,570
10	Pike Lake	\$17,614	\$1,672	\$8,304	\$15,945	\$43,535	\$6,609	\$11,119	\$2,633	\$3,092	\$16,844	\$60,379
11	Knife River	\$3,657	\$1,276	\$1,720	\$3,303	\$9,956	\$1,413	\$3,466	\$705	\$900	\$5,070	\$15,026
12	Oliver	\$4,141	\$959	\$1,957	\$3,759	\$10,815	\$1,756	\$3,108	\$1,158	\$1,496	\$5,762	\$16,577
13	Thomson	\$1,661	\$378	\$771	\$1,481	\$4,290	\$1,160	\$1,962	\$518	\$592	\$3,073	\$7,363
14	Wrenshall	\$5,423	\$952	\$2,551	\$4,897	\$13,822	\$2,354	\$3,637	\$1,135	\$1,261	\$6,034	\$19,856
15	Jay Cooke	\$357	\$677	\$198	\$380	\$1,612	\$586	\$759	\$683	\$738	\$2,486	\$4,098
16	Midway	\$694	\$27	\$415	\$569	\$1,705	\$1,350	\$2,119	\$326	\$445	\$2,889	\$4,594
17	MPCA Landfill	\$462	\$564	\$237	\$456	\$1,720	\$3,513	\$1,900	\$2,034	\$1,215	\$8,662	\$10,381
18	Unused	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	North Shore	\$10,383	\$2,646	\$4,864	\$9,339	\$27,232	\$5,043	\$9,724	\$2,208	\$2,795	\$14,726	\$41,959
21	Totals-Municipalities	\$2,987,349	\$681,825	\$1,074,558	\$2,424,744	\$7,168,476	\$1,509,273	\$2,677,288	\$561,597	\$813,133	\$4,052,018	\$11,220,494
Industrials-												
22	Georgia Pacific	\$0	\$0	\$0	\$0	\$0	\$11,358	\$16,563	\$42,139	\$11,107	\$69,809	\$69,809
23	Sappi	\$3,461,853	\$110,998	\$2,537,882	\$1,932,452	\$8,043,185	\$1,059,058	\$429,617	\$1,208,474	\$514,612	\$3,211,761	\$11,254,946
24	VERSO	\$921,537	\$38,618	\$1,074,420	\$206,263	\$2,240,838	\$348,563	\$482,076	\$711,388	\$123,969	\$1,317,434	\$3,558,272
25	USG	\$103,435	\$5,547	\$84,582	\$78,132	\$271,696	\$38,963	\$62,105	\$81,074	\$91,018	\$234,197	\$505,893
27	Specialty Minerals	\$55,574	\$1,268	\$415	\$74,373	\$131,631	\$22,629	\$31,982	\$291	\$82,508	\$114,781	\$246,412
28	Totals-Industrials	\$4,542,399	\$156,431	\$3,697,299	\$2,291,221	\$10,687,350	\$1,480,570	\$2,081,401	\$2,043,366	\$823,214	\$4,947,982	\$15,635,332
30	Totals-All Users	\$7,529,747	\$838,257	\$4,771,857	\$4,715,965	\$17,855,826	\$2,989,843	\$4,758,689	\$2,604,963	\$1,636,348	\$9,000,000	\$26,855,826