

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, October 15, 2013

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. Old business
 - 3.1 2014 utility budget

13PUC-010 - RESOLUTION APPROVING AND RECOMMENDING 2014 UTILITY BUDGET.
 - 3.2 Two-tier natural gas rate

13PUC-011 - RESOLUTION REQUESTING THAT CITY COUNCIL AMEND SECTION 48-214 TO AUTHORIZE THE DPUC TO ESTABLISH PROGRAMS AND PROCEDURES FOR GAS EXTENSIONS.
4. Updates from staff
5. Upcoming Council actions
6. Commissioner questions or comments
7. Preview of upcoming business

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
September 17, 2013

Members Present: Councilor Jennifer Julsrud, Robert Prusak, Linda Sellner, Councilor Jim Stauber, Jason Thorsell

Members Absent: Councilor Sharla Gardner, Jim Ramnes

Staff Present: Bob Asleson, Jim Benning, Alisa DeRider, Leanna Gilbert, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:18 p.m. by President Sellner.

Approval of previous meeting minutes

New business:

2014 utility budget overview

Glenn Strid gave an overview of the 2014 proposed budget, highlighted some of the major expenses and changes, and answered questions from commissioners. Jim Benning said that commissioners were welcome to attend the budget presentation to Council in November. Bob Asleson reminded commissioners that it is within their authority to approve and recommend annual utility budgets to the City Council.

Two-tier natural gas rate

Eric Shaffer explained that the commission previously set the rates for the Northern Expansion Area and the Fond du Lac Expansion Area. There is another existing two-tier rate for the rest of the City of Duluth which will expire in October 2013. The City provides up to 200 feet of main and service for residents who do not already have natural gas. The two-tier rate is how we recoup the money for that. A resident who chooses the two-tier rate option pays a little extra per month on their volume charge. This rate should probably be about half of the rate for the Northern Expansion and Fond du Lac areas, which was set at \$0.23. An exact rate calculation has not been made yet. Residents can also choose to pay the costs up front or buy out. The buyout cost will be calculated per house instead of by neighborhood. Bob Asleson explained the options available for changing the rate. Eric Shaffer recommended amending the existing ordinance so that the commission could review and adjust the rate every 5 years or so without going to Council. Vice President Prusak requested a written report of the cost calculation details, and Eric Shaffer agreed to provide that. The Northern Expansion and Fond du Lac Expansion resolution will be sent out to commissioners for review. The new rate would not need to be decided until spring, when construction season begins. The commission directed staff to draw up a resolution recommending that City Council amend the ordinance to give the Commission authority regarding the two-tier rate and bring it to the October meeting for consideration.

Updates from staff

Eric Shaffer reported that the surge tank adjacent to the West Duluth Reservoir passed its leak test. It needs to be disinfected and then it will be ready for use. Plans and specs for the West Duluth Reservoir are being finalized and should go out for bid in the next few weeks. The water main job on Raleigh Street is proceeding. The new water main is in between 40th & 46th Ave West on Superior and 1st Street and the road is open. The water main in Bessemer Street is finished. The gas main on West 1st Street is

in and operational. The street should be paved soon. The project was modified to replace an additional 600 feet of main due to excessive corrosion. This extra work will start this week and be done this fall.

Upcoming Council actions

The 2014 budget presentation to Council will be in November. Should the Commission choose to provide a recommendation concerning the budget in October, it would be helpful to have when the budget is presented in November. Staff will draw up a resolution to be considered at the October meeting as requested.

Commissioner questions or comments

Commissioner Julsrud mentioned a water main leak concern from a resident on Glenwood. Staff believes it is groundwater coming up onto the street. Eric Shaffer said he would have someone check into whether the diversion project was done this summer.

Commissioner Stauber asked about the project between 40th Ave West and 46th Ave West on Superior Street and 1st Street. That street is scheduled to be fixed next year. Eric Shaffer said that it will be a mill and overlay. Commissioner Stauber asked why they were not done at the same time and why it would not be a full reconstruction. Eric Shaffer said that the general fund probably did not have the money to do the mill and overlay this year. Also, if the compaction from the trench settled, it could be fixed next year before the mill and overlay. He was not sure whether the plan was to mill what was just put down or to mill beside it. Commissioner Stauber said it was budgeted for about \$1M for those 6 blocks, which should be enough for more than a mill and overlay.

Vice President Prusak asked how construction for the other end of Glenwood was coming and if they would be paving soon. Jim Benning said that he thought it would be completed this year, but was not sure of the paving schedule. He said that there was so much work that the paver left. Eric Shaffer stated that there was an excessive amount of paving this year.

President Sellner mentioned the natural gas rate increase that had just passed and the failed attempt to veto it at City Council. She thought that this brought a lot of attention to the gas utility in regards to safety. She mentioned the gas pipeline blast in San Bruno, California, that resulted in the destruction of 38 homes and 8 fatalities. She stated that the gas utility is being sued and the utility is struggling to patch flaws in its recordkeeping which played a big role in the pipe failure leading to the explosion. President Sellner hopes that Duluth's gas utility will be diligent in its recordkeeping and provide a safe service for its customers.

Preview of upcoming business

The next regular meeting is scheduled for Tuesday, October 15, 2013, at 5:15 p.m. in City Council Chambers. The Commission will continue to discuss the 2014 budget and the two-tier rate for natural gas. Staff will bring resolutions regarding these topics as requested.

Adjournment: The meeting was adjourned at 7:10 p.m.

A recording of this meeting is available upon request.

RESOLUTION NO. 13PUC-010

**RESOLUTION APPROVING AND RECOMMENDING 2014
UTILITY BUDGET.**

WHEREAS, pursuant to 2-185 (d) of the Duluth City Code, 1959, as amended, the Duluth Public Utilities Commission (the "DPUC") is charged with approving and recommending to the Duluth City Council the annual budget for the City's water utility, natural gas utility, sanitary sewer utility and the stormwater utility; and

WHEREAS, the DPUC has reviewed the attached budget for said utilities for the year 2014 and determined that it is reasonable and appropriate to meet the needs of the respective utilities, of the City and of the customers of the utilities.

RESOLVED, that the DPUC hereby approves and recommends to the City Council that it approve the attached budget for the City's water utility, natural gas utility, sanitary sewer utility and stormwater utility for the budget year 2014.

Approved by the DPUC:

(date)

Submitted to City Council:
(where appropriate)

(date)

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

The purpose of this resolution is to approve and recommend to the City Council the attached 2014 budget for the City's water utility, natural gas utility, sanitary sewer utility and stormwater utility.

RESOLUTION NO. 13PUC-011

**RESOLUTION REQUESTING THAT CITY COUNCIL
AMEND SECTION 48-214 TO AUTHORIZE THE DPUC TO
ESTABLISH PROGRAMS AND PROCEDURES FOR GAS
EXTENSIONS.**

WHEREAS, pursuant to Article XXXV of Chapter 2 of the Duluth City Code, 1959, as amended, the Duluth Public Utilities Commission is charged with establishing policies and rates for the City's natural gas utility; and

WHEREAS, based on its charge, it is appropriate for said commission to have authority to develop and extend programs and procedures to fund future natural gas system extensions.

RESOLVED by the Duluth Public Utilities Commission (the "Commission") that the Commission hereby requests that the City Council amend Section 48-214 of the Duluth City Code, 1959, as amended as set forth on attached Exhibit A giving the DPUC authority to approve development and extension of programs and procedures to fund future natural gas system extensions.

Approved by the DPUC:

(date)

Submitted to City Council:
(where appropriate)

(date)

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

The purpose of this resolution is to request that the City Council amend Section 48-214 to substitute the DPUC for the City Council as the entity that approves development and extensions of programs and procedures to fund future natural gas system extensions. The current provision pursuant to which this function is carried out by the City Council predates the creation of the Commission. The attached ordinance would give the responsibility to the Commission, subject to the Council's prerogative to review and overturn the Commission's action.

PUBLIC WORKS AND UTILITIES COMMITTEE

13-02Tier-O

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE DPUC TO APPROVE PROGRAMS TO FUND GAS MAIN EXTENSIONS, AMENDING SECTION 48-214 OF THE DULUTH CITY CODE, 1959, AS AMENDED.

BY COUNCILOR STAUBER:

The city of Duluth does ordain:

Section 1. That Section 48-214 of the Duluth City code is hereby amended to read as follows:

Sec. 48-214. Generally; gas mains.

(a) The city council hereby finds that the deregulation of the natural gas industry and competition from other energy suppliers has subjected the Duluth public works and utilities ~~water and gas~~ department to competitive pressures in the gas sales area that it has never before faced. The city council further finds that the existing methods for extending gas mains in Duluth are cumbersome and capital intensive to prospective gas customers. The city council finds that having a more flexible and cost competitive gas main extension policy would enhance the public works and utilities ~~water and gas~~ department's ability to market natural gas and remain competitive with other suppliers. It is the purpose of this section to provide a method of developing gas main extensions that will enable the public works and utilities ~~water and gas~~ department to remain competitive in the future;

(b) The director of public works and utilities ~~the water and gas department~~, with the approval of the Duluth Public Utilities Commission ~~city council~~, may develop programs and procedures for the extension of gas mains, funding of gas main extensions and procedures for connecting previously unassessed properties to existing mains in addition to procedures set forth in the City Charter. Without limitation, these programs may involve the creation of a two tiered gas rate in lieu of assessments for gas main extensions and may involve the development of a sinking fund to finance future gas main extensions. These programs may also provide that the department may enter into long term gas usage agreements with customers in conjunction with gas main extensions. No gas main extension program shall take effect until it is approved by

resolution of the Duluth Public Utilities Commission, subject to review and veto by the city council in the same manner as is provided for in Section 2-187 of the City Code.

Section 2. This ordinance shall take effect 30 days from and after its passage and publication.

Approved as to form:

Attorney

CCREQ/ATTY GBJ:cjk 4/4/2013

STATEMENT OF PURPOSE: The purpose of this ordinance is to allow the DPUC to serve as the originating body for the creation of programs and procedures for the extension and funding of natural gas mains in the city.

In 1998, in recognition of the increasing competitiveness and complexity of the energy industry, the City passed Section 48-214 to allow the Department to develop new and innovative ways of extending and paying for the extension of natural gas service to potential customers who did not have service available to them. In particular, it authorized the creation of two-tiered systems of gas rates which would allow extensions of gas service to such customers to be paid for by charging an incremental fee in excess of the standard volume charges with the increment being used to defray the City's cost of extending the service to those customers. The existing two-tiered authorization is about to expire and needs to be renewed. To do so, Section 48-214 requires the Council's approval.

Since this system was established, the City created the Duluth Public Utilities Commission with the view of having the City's utility policies and procedures overseen by a body which would develop expertise in the area and be able to view utility issues from a greater level of focus.

With this goal in mind, it would be appropriate to delegate the approval of such programs and procedures to the Commission. This ordinance would accomplish that goal. The amendment does, however, subject the approval of such programs and procedures to the ultimate review of the City Council in the same manner as Council presently reviews rate determinations of the Commission.



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Western Lake Superior Sanitary District

September 26, 2013

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

RE: 2014 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2014 budget at the September 23, 2013 board meeting. The Board approved a 0% change in wastewater operating costs and annual debt service collected. The 2014 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charges	\$ 8,601,497
Total Monthly Charge	\$ 716,791

This amount represents a decrease from 2013 of (\$254,569) or (2.87%).

Please note that any year-end adjustment relating to 2012 wastewater charges will be calculated in January 2013 and sent to you under a separate letter.

The District-wide allocation remains unchanged at \$355,000 for 2014. The 2014 District-wide allocation for the City of Duluth is \$217,982. This amount may be paid in two equal installments. The first is due on or before July 1, 2014, and the second on or before December 1, 2014.

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

Sincerely,

Marianne Bohren
 Executive Director

2014 Flow and Load Budget

9/16/2013

WLSSD 2014 BUDGETED FLOWS AND LOADINGS
FLOW (MGD)

	ACTUAL 2012	BUDGET 2013	AVG THROUGH August-13	BUDGET 2014
DULUTH	12.1374	14.500	14.228	13.750
CLOQUET	1.1702	1.200	1.214	1.200
HERMANTOWN	0.5788	0.700	0.666	0.700
PROCTOR	0.4264	0.500	0.442	0.500
ESKO (Includes Helb/Lars)	0.1618	0.2031	0.173	0.2031
SCANLON	0.1295	0.140	0.126	0.140
CARLTON	0.2022	0.220	0.190	0.200
TWIN LAKES	0.0734	0.070	0.074	0.072
RICE LAKE	0.0461	0.070	0.046	0.060
OLIVER	0.0198	0.021	0.020	0.022
PIKE LAKE	0.0851	0.087	0.097	0.100
KNIFE RIVER	0.0201	0.019	0.024	0.019
THOMSON (City only)	0.0101	0.013	0.007	0.010
MPCA LANDFILL	0.0215	0.030	0.024	0.030
WRENSHALL	0.0293	0.030	0.030	0.030
JAY COOKE	0.0025	0.004	0.005	0.004
BUFFALO/MIDWAY	0.0027	0.0020	0.003	0.0020
DULUTH/NORTH SHO MUNICIPAL SUBTOTAL	0.0639 15.1808	0.060 17.869	0.057 17.424	0.060 17.102
SAPPI	14.8651	13.917	14.482	15.000
GEORGIA PACIFIC	0.0859	0.000	0.000	0.000
USG	0.4455	0.550	0.360	0.400
NEWPAGE	4.895	4.400	4.740	4.600
SPECIALTY MINERALS	0.2006	0.200	0.198	0.200
INDUSTRIAL SUBTOTAL	20.4921	19.067	19.780	20.200
TOTAL FLOW	35.673	36.936	37.204	37.302

9/16/2013

WLSSD 2014 BUDGETED FLOWS AND LOADINGS
BOD (LBS/DAY)

	ACTUAL 2012	BUDGET 2013	AVG THROUGH August-13	BUDGET 2014
DULUTH	13,081	14,200	13,461	13,250
CLOQUET	1,800	1,800	1,800	1,800
HERMANTOWN	1,056	1,350	1,165	1,250
PROCTOR	436	550	500	550
ESKO (Includes Helb/Lars)	305	305	305	250
SCANLON	216	234	210	234
CARLTON	130	130	130	130
TWIN LAKES	227	216	229	222
RICE LAKE	77	117	77	100
OLIVER	33	35	34	37
PIKE LAKE	142	145	161	167
KNIFE RIVER	33	32	41	32
THOMSON (City only)	17	22	11	17
MPCA LANDFILL	36	50	41	50
WRENSHALL	49	50	49	50
JAY COOKE	4	7	8	7
BUFFALO/MIDWAY	7	5	6	5
DULUTH/NORTH SHO	107	100	95	100
MUNICIPAL SUBTOTAL	17,756	19,347	18,323	18,249
SAPPI	44,319	38,437	34,315	30,000
GEORGIA PACIFIC	2,863	0	0	0
USG	1,331	1,500	1,096	1,000
NEWPAGE	22,247	19,750	25,221	24,000
SPECIALTY MINERALS	5	6	5	6
INDUSTRIAL SUBTOT/	70,765	59,693	60,637	55,006
TOTAL BOD	88,521	79,040	78,960	73,255

9/16/2013

WLSSD 2014 BUDGETED FLOWS AND LOADINGS
SUSPENDED SOLIDS (LBS/DAY)

	ACTUAL 2012	BUDGET 2013	AVG THROUGH August-13	BUDGET 2014
DULUTH	16,997	18,600	17,394	17,322
CLOQUET	2,800	2,800	2,800	2,800
HERMANTOWN	1,084	1,350	1,123	1,200
PROCTOR	467	600	588	600
ESKO (Includes Helb/Lars)	360	360	360	300
SCANLON	216	234	210	234
CARLTON	160	160	160	160
TWIN LAKES	227	216	229	222
RICE LAKE	77	117	77	100
OLIVER	33	35	34	37
PIKE LAKE	142	145	161	167
KNIFE RIVER	33	32	41	32
THOMSON (City only)	17	22	11	17
MPCA LANDFILL	36	50	41	50
WRENSHALL	49	50	49	50
JAY COOKE	4	7	8	7
BUFFALO/MIDWAY	5	3	4	3
DULUTH/NORTH SHO	107	100	95	100
MUNICIPAL SUBTOTAL	22,814	24,880	23,385	23,400
SAPPI	18,870	15,740	23,707	20,000
GEORGIA PACIFIC	670	0	0	0
USG	1,857	2,800	759	650
NEWPAGE	2,483	2,050	2,231	1,500
SPECIALTY MINERALS	823	650	917	570
INDUSTRIAL SUBTOT	24,703	21,240	27,614	22,720
TOTAL DISTRICT	47,517	46,120	50,999	46,120

2014 Wastewater Unit Costs and Charges by Customer

**2014 Budget
Wastewater Unit Costs**

<u>VOLUME</u>	<u>BUDGET 2013</u>	<u>BUDGET 2014</u>	<u>% CHANGE</u>
FLOW (MGD)	36.94	37.30	0.98%
BOD (LBS/DAY)	79,040	73,255	-7.32%
SUSPENDED SOLIDS (LBS/DAY)	46,120	46,120	0.00%
 <u>O & M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.5210	\$0.5214	0.07%
PEAK FLOW	\$0.0395	\$0.0402	1.78%
BOD (COST/LB)	\$0.1630	\$0.1728	6.02%
SUSPENDED SOLIDS (COST/LB)	\$0.2684	\$0.2684	-0.02%
 <u>O & M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.6762	\$0.6796	0.51%
PEAK FLOW	\$0.0870	\$0.0880	1.10%
BOD (COST/LB)	\$0.2275	\$0.2358	3.65%
SUSPENDED SOLIDS (COST/LB)	\$0.3516	\$0.3495	-0.59%
DOMESTIC EQUIV (COST/1000GAL)	\$1.7291	\$1.7439	0.86%

2014 Budget
Wastewater Treatment Charges

	BUDGET 2013	BUDGET 2014	INCREASE (DECREASE)	% CHANGE
DULUTH	\$8,856,066	\$8,601,497	-\$254,569	-2.87%
CLOQUET	\$891,627	\$898,431	\$6,804	0.76%
PROCTOR	\$289,214	\$291,812	\$2,598	0.90%
HERMANTOWN	\$438,413	\$425,756	-\$12,658	-2.89%
ESKO	\$126,892	\$119,178	-\$7,713	-6.08%
SCANLON	\$85,575	\$86,157	\$582	0.68%
CARLTON	\$109,220	\$106,120	-\$3,100	-2.84%
RICE LAKE	\$49,333	\$45,394	-\$3,938	-7.98%
TWIN LAKE	\$66,651	\$68,896	\$2,245	3.37%
PIKE LAKE	\$55,028	\$62,070	\$7,041	12.80%
KNIFE RIVER	\$14,126	\$14,521	\$395	2.80%
OLIVER	\$15,479	\$15,904	\$425	2.75%
THOMSON	\$8,989	\$7,812	-\$1,177	-13.09%
WRENSHALL	\$19,181	\$19,425	\$244	1.27%
JAY COOKE	\$4,578	\$4,554	-\$24	-0.52%
MIDWAY	\$4,457	\$4,724	\$267	5.99%
MPCA LANDFILL	\$21,875	\$22,511	\$637	2.91%
DULUTH/NORTH SHORE	\$42,632	\$43,752	\$1,120	2.63%
SUBTOTAL	\$11,099,337	\$10,838,515	-\$260,821	-2.35%
SAPPI	\$9,405,001	\$9,634,731	\$229,730	2.44%
GEORGIA PACIFIC	\$88,972	\$86,763	-\$2,209	-2.48%
USG	\$698,823	\$435,098	-\$263,725	-37.74%
NEW PAGE	\$3,492,633	\$3,801,840	\$309,207	8.85%
SPECIALTY MINERALS	\$231,971	\$219,789	-\$12,182	-5.25%
SUBTOTAL	\$13,917,400	\$14,178,221	\$260,821	1.87%
TOTAL DISTRICT	\$25,016,736	\$25,016,736	\$0	0.00%

2014 Budget
Wastewater Treatment Charges

	BUDGET 2013	BUDGET 2014	INCREASE (DECREASE)	% CHANGE
DULUTH	\$8,856,066	\$8,601,497	-\$254,569	-2.87%
CLOQUET	\$891,627	\$898,431	\$6,804	0.76%
PROCTOR	\$289,214	\$291,812	\$2,598	0.90%
HERMANTOWN	\$438,413	\$425,756	-\$12,658	-2.89%
ESKO	\$126,892	\$119,178	-\$7,713	-6.08%
SCANLON	\$85,575	\$86,157	\$582	0.68%
CARLTON	\$109,220	\$106,120	-\$3,100	-2.84%
RICE LAKE	\$49,333	\$45,394	-\$3,938	-7.98%
TWIN LAKE	\$66,651	\$68,896	\$2,245	3.37%
PIKE LAKE	\$55,028	\$62,070	\$7,041	12.80%
KNIFE RIVER	\$14,126	\$14,521	\$395	2.80%
OLIVER	\$15,479	\$15,904	\$425	2.75%
THOMSON	\$8,989	\$7,812	-\$1,177	-13.09%
WRENSHALL	\$19,181	\$19,425	\$244	1.27%
JAY COOKE *	\$4,364	\$4,554	\$190	4.36%
MIDWAY	\$4,457	\$4,724	\$267	5.99%
MPCA LANDFILL	\$21,875	\$22,511	\$637	2.91%
DULUTH/NS	\$42,632	\$43,752	\$1,120	2.63%
SUBTOTAL	\$11,099,123	\$10,838,515	-\$260,607	-2.35%
* Billed Estimate				
	<u>Billed Estimate</u>			
SAPPI	\$9,374,407	\$9,634,731	\$260,324	2.78%
GEORGIA PACIFIC	\$88,968	\$86,763	-\$2,205	-2.48%
USG	\$425,318	\$435,098	\$9,780	2.30%
NEW PAGE	\$3,869,792	\$3,801,840	-\$67,952	-1.76%
SPECIALTY MINERALS	\$227,920	\$219,789	-\$8,131	-3.57%
SUBTOTAL	\$13,986,405	\$14,178,221	\$191,816	1.37%
TOTAL DISTRICT	\$25,085,528	\$25,016,736	-\$68,791	-0.27%

**2014 Budget
O&M Cost Comparison**

	BUDGET 2013	BUDGET 2014	INCREASE (DECREASE)	% CHANGE
DULUTH	\$5,904,567	\$5,648,645	-\$255,922	-4.33%
CLOQUET	\$642,690	\$649,828	\$7,137	1.11%
PROCTOR	\$199,534	\$201,787	\$2,253	1.13%
HERMANTOWN	\$354,084	\$338,133	-\$15,951	-4.50%
ESKO	\$95,496	\$87,323	-\$8,173	-8.56%
SCANLON	\$64,735	\$65,609	\$874	1.35%
CARLTON	\$70,479	\$67,551	-\$2,928	-4.16%
RICE LAKE	\$34,047	\$30,072	-\$3,976	-11.68%
TWIN LAKE	\$49,675	\$51,840	\$2,165	4.36%
PIKE LAKE	\$41,500	\$47,840	\$6,340	15.28%
KNIFE RIVER	\$10,291	\$10,437	\$146	1.42%
OLIVER	\$10,043	\$10,624	\$581	5.79%
THOMSON	\$6,377	\$5,132	-\$1,245	-19.52%
WRENSHALL	\$14,161	\$14,354	\$192	1.36%
JAY COOKE	\$2,085	\$2,114	\$29	1.40%
MIDWAY	\$2,216	\$2,256	\$40	1.78%
MPCA LANDFILL	\$14,637	\$14,838	\$201	1.37%
DULUTH/NORTH SHORE	\$30,774	\$31,202	\$428	1.39%
SUBTOTAL	\$7,547,393	\$7,279,584	-\$267,809	-3.55%
SAPPI	\$6,620,858	\$6,837,819	\$216,960	3.28%
GEORGIA PACIFIC	\$0	\$0	\$0	
USG	\$477,516	\$214,602	-\$262,914	-55.06%
NEW PAGE	\$2,264,577	\$2,586,061	\$321,484	14.20%
SPECIALTY MINERALS	\$106,393	\$98,670	-\$7,723	-7.26%
SUBTOTAL	\$9,469,344	\$9,737,152	\$267,809	2.83%
TOTAL DISTRICT	\$17,016,736	\$17,016,736	\$0	0.00%

2014 Budget
Debt Service Costs

	BUDGET 2013	BUDGET 2014	INCREASE (DECREASE)	% CHANGE
DULUTH	\$2,951,499	\$2,952,852	\$1,353	0.05%
CLOQUET	\$248,936	\$248,603	(\$333)	-0.13%
PROCTOR	\$89,681	\$90,025	\$345	0.38%
HERMANTOWN	\$84,329	\$87,622	\$3,293	3.91%
ESKO	\$31,395	\$31,855	\$460	1.46%
SCANLON	\$20,840	\$20,548	(\$292)	-1.40%
CARLTON	\$38,741	\$38,570	(\$171)	-0.44%
RICE LAKE	\$15,285	\$15,323	\$37	0.24%
TWIN LAKE	\$16,976	\$17,055	\$79	0.47%
PIKE LAKE	\$13,528	\$14,229	\$701	5.18%
KNIFE RIVER	\$3,835	\$4,084	\$250	6.51%
OLIVER	\$5,436	\$5,280	(\$156)	-2.87%
THOMSON	\$2,612	\$2,680	\$68	2.61%
WRENSHALL	\$5,020	\$5,071	\$51	1.03%
JAY COOKE	\$2,493	\$2,440	(\$53)	-2.12%
MIDWAY	\$2,241	\$2,468	\$227	10.15%
MPCA LANDFILL	\$7,237	\$7,673	\$436	6.02%
DULUTH/NORTH SHORE SUBTOTAL	\$11,858 \$3,551,944	\$12,550 \$3,558,931	\$692 \$6,987	5.83% 0.20%
SAPPI	\$2,784,142	\$2,796,912	\$12,770	0.46%
GEORGIA PACIFIC	\$88,972	\$86,763	(\$2,209)	-2.48%
USG	\$221,307	\$220,496	(\$811)	-0.37%
NEW PAGE	\$1,228,056	\$1,215,779	(\$12,278)	-1.00%
SPECIALTY MINERALS SUBTOTAL	\$125,578 \$4,448,056	\$121,119 \$4,441,069	(\$4,459) (\$6,987)	-3.55% -0.16%
TOTAL DISTRICT	\$8,000,000	\$8,000,000	\$0	0.00%

Western Lake Superior Sanitary District
 Billing Detail
 2014 Budget

Line No.	Line Class of Service	Budget Basis	Operating Expenses, based on Actual Flows and Loads				Debt Svc. based on Allocated Flows and Loads				TOTAL			
			Flow	Excess Fl	BOD	TSS	TOTAL	FLOW	PEAK FLOW	TOTAL FLOW				
Municipalities: Duluth-														
1	Duluth	Budget	\$2,616,539	\$489,637	\$935,797	\$1,699,673	\$5,648,645	\$1,059,624	\$933,254	\$1,892,878	\$428,236	\$631,739	\$2,962,652	\$8,001,497
2	Clequet	Budget	\$228,352	\$93,676	\$113,542	\$92,692	\$649,828	\$92,992	\$60,925	\$143,897	\$41,041	\$63,675	\$248,633	\$898,431
3	Proctor	Budget	\$95,147	\$13,177	\$34,693	\$58,769	\$201,787	\$35,413	\$24,970	\$60,382	\$17,027	\$17,027	\$90,025	\$291,812
4	Hermantown	Budget	\$133,206	\$8,540	\$78,849	\$117,539	\$338,133	\$29,074	\$17,928	\$46,902	\$16,630	\$24,091	\$67,632	\$425,756
5	Esko	Budget	\$38,648	\$3,520	\$15,770	\$29,385	\$67,323	\$11,485	\$7,722	\$19,217	\$5,288	\$7,350	\$31,655	\$119,178
6	Carlton	DE	\$28,641	\$1,365	\$14,730	\$22,873	\$65,609	\$13,120	\$6,520	\$13,120	\$3,538	\$3,890	\$20,548	\$69,157
7	Sechon	Budget	\$38,056	\$5,620	\$8,200	\$15,672	\$67,551	\$18,015	\$19,089	\$31,104	\$3,002	\$4,404	\$38,570	\$109,120
8	Rice Lake	DE	\$11,418	\$2,539	\$6,313	\$9,803	\$30,072	\$5,654	\$4,662	\$9,716	\$2,411	\$3,196	\$15,323	\$45,394
9	Twin Lake	Budget	\$13,701	\$2,382	\$14,015	\$21,762	\$61,640	\$5,085	\$9,637	\$8,733	\$3,969	\$4,354	\$17,055	\$68,996
10	Pike Lake	DE	\$19,028	\$1,952	\$10,522	\$16,338	\$47,840	\$5,599	\$6,812	\$9,411	\$2,191	\$2,627	\$14,228	\$62,070
11	Knife River	DE	\$3,616	\$1,687	\$1,999	\$3,134	\$10,437	\$1,031	\$1,649	\$2,680	\$598	\$1,140	\$4,084	\$14,521
12	Oliver	DE	\$4,186	\$528	\$2,315	\$3,594	\$10,624	\$991	\$1,098	\$2,616	\$461	\$532	\$5,280	\$19,425
13	Thomson	DE	\$1,903	\$543	\$1,052	\$1,634	\$5,132	\$991	\$698	\$1,687	\$461	\$1,075	\$2,680	\$7,812
14	Wrenshall	DE	\$5,709	\$587	\$3,156	\$4,901	\$14,354	\$1,807	\$1,220	\$3,027	\$969	\$647	\$2,440	\$19,425
15	Jay Cooke	DE	\$761	\$279	\$421	\$654	\$2,114	\$533	\$401	\$954	\$282	\$381	\$4,554	\$19,425
16	Midway	DE	\$381	\$1,233	\$316	\$327	\$2,256	\$1,159	\$665	\$1,825	\$647	\$381	\$2,468	\$4,724
17	MPCA Landfill	DE	\$5,709	\$1,071	\$3,156	\$4,901	\$14,838	\$2,987	\$1,861	\$4,818	\$1,980	\$976	\$7,673	\$22,511
18	Unused	DE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
19	North Shore	DE	\$11,418	\$3,668	\$6,313	\$9,803	\$31,202	\$4,159	\$3,815	\$7,974	\$1,962	\$2,614	\$12,550	\$43,752
21	Totals-Municipalities		\$3,254,423	\$591,984	\$1,151,159	\$2,292,019	\$7,279,564	\$1,274,705	\$996,227	\$2,280,932	\$526,998	\$771,002	\$3,550,691	\$10,898,515
Industrials-														
22	Georgia Pacific	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,372	\$20,117	\$14,073	\$69,763	\$86,763	
23	Sappi	\$2,654,408	\$132,063	\$1,892,370	\$1,956,980	\$5,837,819	\$657,483	\$374,770	\$1,232,253	\$1,115,654	\$448,025	\$2,756,912	\$9,634,731	
24	NewPage	\$875,351	\$49,890	\$1,513,896	\$146,924	\$2,586,051	\$284,311	\$115,235	\$389,546	\$684,283	\$131,970	\$1,215,970	\$3,801,840	
25	USG	\$76,117	\$11,739	\$63,079	\$83,667	\$214,602	\$32,737	\$21,543	\$54,280	\$84,308	\$31,908	\$220,496	\$435,098	
27	Specialty Minerals	\$38,059	\$4,402	\$378	\$55,831	\$98,670	\$20,439	\$8,716	\$29,155	\$306	\$91,658	\$121,119	\$219,799	
28	Totals-Industrials	\$3,843,933	\$198,094	\$3,469,724	\$2,225,401	\$9,737,152	\$1,208,715	\$526,636	\$1,735,351	\$1,937,085	\$768,633	\$4,441,069	\$14,178,221	
30	Totals-All Users	\$7,098,356	\$780,078	\$4,620,883	\$4,517,420	\$17,016,716	\$2,483,420	\$1,512,862	\$3,996,282	\$2,464,083	\$1,539,635	\$8,000,000	\$25,016,739	

2014 District-Wide Allocation

**WLSSD DISTRICT-WIDE ALLOCATION
2014 BUDGET**

	TAX CAPACITY			TAX CAPACITY		
	VALUE 2013 (THOUSANDS)	% OF TOTAL	DWA 2013	VALUE 2014 (THOUSANDS)	% OF TOTAL	DWA 2014
<u>ST. LOUIS COUNTY</u>						
DULUTH	\$59,473	61.64%	\$218,818	\$58,634	61.40%	\$217,982
HERMANTOWN	\$9,826	10.18%	\$36,153	\$9,852	10.32%	\$36,626
PROCTOR	\$1,997	2.07%	\$7,348	\$1,925	2.02%	\$7,157
CANOSIA	\$2,067	2.14%	\$7,605	\$2,079	2.18%	\$7,729
DULUTH TOWNSHIP	\$503	0.52%	\$1,849	\$492	0.51%	\$1,828
GRAND LAKE	\$2,841	2.94%	\$10,453	\$2,784	2.92%	\$10,350
LAKEWOOD *	\$463	0.48%	\$1,702	\$455	0.48%	\$1,690
MIDWAY *	\$356	0.37%	\$1,311	\$364	0.38%	\$1,353
RICE LAKE	\$2,455	2.54%	\$9,033	\$2,477	2.59%	\$9,209
SOLWAY *	\$403	0.42%	\$1,481	\$361	0.38%	\$1,342
SUBTOTAL	\$80,383	83.31%	\$295,751	\$79,422	83.17%	\$295,265
<u>CARLTON COUNTY</u>						
CARLTON	\$406	0.42%	\$1,494	\$408	0.43%	\$1,517
CLOQUET	\$7,904	8.19%	\$29,081	\$8,006	8.38%	\$29,764
SCANLON	\$646	0.67%	\$2,377	\$629	0.66%	\$2,338
THOMSON	\$137	0.14%	\$504	\$133	0.14%	\$494
WRENSHALL	\$269	0.28%	\$990	\$253	0.26%	\$941
SILVERBROOK*	\$436	0.45%	\$1,605	\$436	0.46%	\$1,620
THOMSON TOWNSH	\$3,798	3.94%	\$13,974	\$3,755	3.93%	\$13,960
TWIN LAKES	\$2,507	2.60%	\$9,224	\$2,448	2.56%	\$9,101
SUBTOTAL	\$16,103	16.69%	\$59,249	\$16,068	16.83%	\$59,735
TOTAL DWA	\$96,486	100.00%	\$355,000	\$95,490	100.00%	\$355,000

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