

DULUTH PUBLIC UTILITIES COMMISSION  
Tuesday, October 17, 2017  
City Council Chambers  
AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. New business:
  - 3.1 Water rates
  - 3.2 Resources for low-income customers
  - 3.3 WLSSD I&I ordinance
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**  
**September 19, 2017**

**Members Present:** Jen Julsrud, Chris McIntosh, Rob Prusak, Councilor Joel Sipress, Jason Thorsell, Councilor Em Westerlund; Councilor Noah Hobbs arrived at 5:19 p.m.

**Members Absent:** none

**Staff Present:** Bob Asleson, Liz Bieter, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid, Kerry Venier

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

**Public hearing:**

**17PUC-004 - RESOLUTION ESTABLISHING WATER RATES EFFECTIVE WITH METER READINGS AFTER DECEMBER 31, 2017; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF JANUARY 1, 2018.**

The Commission held a public hearing on water rate resolution 17PUC-004. Comments were heard from the public. The hearing was closed and the Commission moved on to the regular meeting.

**Approval of previous meeting minutes**

**New business:**

**17PUC-004 - RESOLUTION ESTABLISHING WATER RATES EFFECTIVE WITH METER READINGS AFTER DECEMBER 31, 2017; SUPERSEDING ALL PRIOR INCONSISTENT OR CONFLICTING RATES AS OF JANUARY 1, 2018.**

Vice President Julsrud motioned to approve resolution 17PUC-004, and the motion was seconded. Commissioner Sipress made some clarifying statements for the benefit of the public. Vice President Julsrud acknowledged the need for further conversation with our municipal neighbors and mentioned that City staff has been getting some financial information together for further discussion on that topic. Commissioner Westerlund noted that Commissioner McIntosh has put together a list of resources for low-income customers and suggested discussing this next month. Liz Bieter talked about resources available to customers and conservation incentives and opportunities for landlords. Resolution 17PUC-004 passed unanimously.

**17PUC-007 - RESOLUTION AMENDING ARTICLE V SECTION 5 SUBSECTION (b) OF THE BYLAWS CLARIFYING HEARING REQUIREMENTS.**

Eric Shaffer stated that this resolution clarifies that a public hearing is not required to set a fee. This will have no effect on public hearing requirements for utility rate increases. Commissioner Hobbs motioned to approve resolution 17PUC-007, and the motion was seconded. Resolution 17PUC-007 passed unanimously.

**17PUC-005 - RESOLUTION APPROVING AND RECOMMENDING 2018 UTILITY BUDGET.**

Commissioner Hobbs motioned to approve resolution 17PUC-005, and the motion was seconded. After some comments, resolution 17PUC-005 passed unanimously.

### **17PUC-006 - RESOLUTION ESTABLISHING FEES FOR VARIOUS UTILITY-RELATED SERVICES.**

Liz Bieter explained the proposed increases to utility fees and also noted a new fee for meter data monitoring. After some discussion, Vice President Julsrud motioned to approve resolution 17PUC-006, and the motion was seconded. Resolution 17PUC-006 passed unanimously.

### **Updates from staff**

Eric Shaffer reported on the status of various utility projects including the Michigan Street water main, the Lakeside water main, the airport natural gas regulator, the gas project out east, 4<sup>th</sup> Street, the gas blanket project, meter relocation, sewer lining on Michigan Street, and anthracite filter replacement. Things will be wrapping up in the next month.

### **Upcoming Council actions**

Eric Shaffer stated that the budget would be going to City Council soon. Council may choose to discuss the rate resolution that was just passed. Some member of the City Council could introduce a resolution to veto the rate resolution, but a super-majority vote would be required. Commissioner Sipress will notify President Prusak if a veto resolution is proposed.

Howard Jacobson reported that the Public Works & Utilities Department proposed 2018 budget would be presented to City Council on Monday, September 25<sup>th</sup> if commissioners want to attend.

### **Commissioner questions or comments**

President Prusak would like to look at the water rates for municipalities next month. He would like to come up with a solution before January 1, 2018. Vice President Julsrud agrees and hopes to reach out to the municipalities and invite them to join us.

President Prusak asked Council members to support the utility budget when it is presented.

### **Preview of upcoming business**

The next regular meeting is scheduled for Tuesday, October 17, 2017, at 5:15 p.m. in City Council Chambers. The Commission will discuss water rates for municipalities and resources for low-income customers.

**Adjournment:** The meeting was adjourned at 6:24 p.m.

## DULUTH PUBLIC UTILITIES COMMISSION

Public Hearing  
September 19, 2017

**Members Present:** Jen Julsrud, Chris McIntosh, Rob Prusak, Councilor Joel Sipress, Jason Thorsell, Councilor Em Westerlund; Councilor Noah Hobbs arrived at 5:19 p.m.

**Members Absent:** none

**Staff Present:** Bob Asleson, Liz Bieter, Leanna Gilbert, Howard Jacobson, Eric Shaffer, Glenn Strid, Kerry Venier

**Others Present:** Doris Queen Lavender, resident of 231 E Superior St, Apt. 807  
John Werner, Mayor of Rice Lake  
Bill Sweeney, Chair of Proctor Public Utilities Commission  
Craig Lincoln, resident of 4901 Peabody St  
Wayne Boucher, Mayor of Hermantown  
Robert Quade, Rice Lake City Council  
Kathryn Wegner, Minnesota Citizens Federation Northeast

**Call to Order:** The hearing was called to order at 5:18 p.m. by President Prusak.

Under consideration was a resolution to increase the water variable rates for all rate classes.

Eric Shaffer, Chief Engineer of Utilities for the City of Duluth, gave a presentation on the state of the water system and the reasons for the proposed rate increases.

Doris Queen Lavender requested that the City appeal the denial of federal funding for the 2012 flood damage. She said that the water rates are appropriate and similar to other cities. She is concerned about the water being poisoned and requests no poisoning or contaminants.

John Werner would like an answer as to why Rice Lake is not charged the commercial class 4 rate based on water usage instead of a higher rate because they are outside city limits. Rice Lake is a good neighbor and is open to passing water to the Woodland neighborhood if needed.

Bill Sweeney talked about the history and current population of Proctor, which includes approximately 30% retirees and 20 small businesses. They also supply water to Midway. They currently pay \$3.52 per CCF for water. They use about 9,600 CCF per month, which would equate to commercial/industrial class 5 at \$1.82 per CCF. He also mentioned results from rate studies done in 2007 and 2012, one of which showed that Proctor rates are about 62% above cost. He requested another rate study or charging Proctor the \$1.82 rate or some other reasonable amount. They want to be treated fairly.

Craig Lincoln said that he works for WLSSD, but he is not speaking on their behalf. He is also on some national committees that communicate and educate people about water infrastructure. He mentioned that he grew up on a desert farm in southern Idaho, and so finds it comforting to live on the shores of ten percent of the world's fresh water. Having an infinite supply of fresh water is one of Duluth's competitive advantages. Every water system has a challenge, and ours is getting the water to the residents and businesses. This is a pretty substantial increase, but we also need to consider the cost of service

disruption to businesses. He appreciates the City looking into this and making this proposal. He also mentioned a study done in the 1990's that estimated \$130M in backlog repairs at that time.

Wayne Boucher is thankful for the opportunity to speak and for the high quality product delivered to customers. He mentioned that revenues exceeded expenditures by 32% in 2016 and by 39% in 2015. Those numbers do not justify any increase in water rates. He thinks this increase will exacerbate the problem of disparity in rates for different customers. This rate increase will result in Hermantown's annual cost of water going from about \$600,000 to about \$800,000. These rates insure that Hermantown will never have any industry. He urges the Commission to vote for no increase and to make one across the board rate without meter fees for all customers.

Robert Quade said that Rice Lake has about 300 people using city water. Most of those are small homes on small lots and middle to low-income people. This increase doesn't sound like a lot of money, but over six years is quite a bit. If all costs increased by 30%, we would all have problems since wages do not increase that much.

Kathryn Wegner is advocating a tiered rate increase that would encourage water conservation. She also mentioned concern about a lack of education and incentive for renters to conserve water. She understands the rate increase and the need for good water, but would like the Commission to take the extra step to educate people about conservation.

The Duluth Public Utilities Commission voted to approve the water rate resolution after the public hearing closed.

**Adjournment:** The hearing was closed at 5:56 p.m.

A recording of this hearing is available upon request.

# Prospective Low Income Energy Conservation Program

## Preliminary Information Sheet

### Case Study: Renaissance Apartments

#### Problem Areas

- ❖ About a third of Duluth’s population is classified as low income
- ❖ Low income households have a high energy burden where a larger percentage of their income goes to utility payments
- ❖ Many households are at risk of energy shut-offs
- ❖ Two to four unit buildings offer additional energy efficiency and financing challenges
- ❖ Numerous families reside in unsafe and unhealthy homes
- ❖ Many residents have a limited awareness of the available resources and potential energy efficiency upgrades

#### Additional Challenges

- ❖ The high upfront cost to implement energy efficiency measures
- ❖ Duluth’s aging housing stock
- ❖ The harsh winter climate and high number of heating days per year
- ❖ The split incentive between landlords and renters in multifamily buildings
- ❖ The lack of resources and limited financing options for low to moderate income renters
- ❖ The inconsistent and varying income eligibilities and requirements for program participation

#### Intended Program Goals

- ❖ Align community organizations and available resources
- ❖ Identify and address the specific needs of multi-unit buildings
- ❖ Establish a single point of contact
- ❖ Facilitate the energy efficiency process
- ❖ Lower energy bills by decreasing consumption
- ❖ Provide incentives and financing options
- ❖ Increase home comfort and safety

The Renaissance Apartments provide affordable, multifamily housing to families in Duluth’s East Hillside neighborhood. ComfortSystems, Ecolibrium3 and Minnesota Power are in the process of collaborating with the Renaissance property managers on a strategy to reduce the total energy consumption of the buildings. The project will include an upgrade of the outdated and inefficient heating system and the installation of new high-efficiency boilers in each of the four buildings. The partnership will also incorporate additional energy efficiency measures to save on future utility costs, help keep rents affordable, and increase the overall comfort for the tenants.

#### Contact Information

Zoe Respondek  
Energy Conservation Technician  
AmeriCorps VISTA  
Duluth Public Works & Utilities  
zrespondek@DuluthMN.gov

## Private Water Service and Lateral Sewer Line Replacement Loan Program Project Proposal

Objective: Use current available dollars from the 555 revolving loan funding to make affordable loans to Duluth homeowners, similar to the Home Energy Loan program, making it possible for those homeowners to:

1. Replace defective private lead water services with copper or plastic, going to their homes
2. Replace private water line services
3. Replace or line the lateral sewer lines

Benefits of providing loans for replacing private lead water services and private water lines:

1. Loans will remove the burden of the high cost to homeowners, especially those in the low to moderate income community.
2. Current lead piping is generally older and has a tendency to leak more frequently. Replacement will reduce leaks and conserve water. Leaks also cause damage, such as damage to property, potential flooding in neighboring basements, and structural damage
3. Reduced leaking will conserve electrical energy used to pump water.
4. The City of Duluth will be proactive instead of reactive in the event of any hazardous consequences from lead piping.
5. Replacing private water lines that have shared valve boxes will allow homeowners to maintain their utilities individually and allow Comfort Systems to monitor and address leaks in a timely manner.

Benefits of providing loans for replacing or lining lateral sewer lines:

1. Loans will remove the burden of the high cost to the homeowner, especially those in the low to moderate income community.
2. Replacing or lining the lateral sewer lines along with the private water services at the same time will reduce the need for multiple digs, saving crew time.
3. More efficient lateral sewage lines will reduce the volume of water needing to be pumped and treated by WLSSD, reducing costs associated across the board.
4. Replacing or lining of sewer laterals will be required by WLSSD in 2019.

This program will mirror the current Home Energy Loan Program. Prospective homeowners will walk through a similar application process, provide proof of income, get two estimates, and proof of equity. As with the Home Energy Loan program, PWU will file a mortgage against the borrower's property to secure the loan.

Without assistance from the City to replace private water lines, these homeowners may not have options to afford the replacement and risk their water utility being shut off because of safety concerns. If a shared private line is leaking, the only recourse the City has is to shut off water from the City owned "Master Box" because we cannot legally access private water shut

offs. In regards to the sewer lines, the City requires leaking sewer laterals to be repaired in a timely manner. Failure to make these repairs will result in a \$250 per month surcharge to the homeowner. This high amount is not affordable to the low to moderate income community.

The proposed loan program offers loans with a 4.9% interest rate and is not credit score dependent like traditional bank loans.

In addition to replacing private water lines when there is a leaking line on a shared box, there are homes in Duluth that share a line with a home that has been condemned or destroyed. In this instance, the water line runs under the destroyed home. Because this home is destroyed, water service to this home will need to be stopped in order to avoid freezing pipes in the winter. When this happens, the homeowner next to the destroyed house will also have their water utility shut off because they are on a shared line. Unless the homeowner can come up with the funds needed to hire a private contractor to replace the private line and detach it from the destroyed house, this homeowner will be without water in November 2017.

In order to move forward with this project, the current State legislation states the revolving loan fund can be used for "energy conservation". I attach the proposed strikeouts needed to make the needed changes.

The proposed project gives an affordable option to Duluth residents who simply cannot afford to make the repairs needed to their private water lines and lateral sewer lines. If approved, the outcomes will be:

- Up to date and efficient water and sewer lines
- Helping residents to remove possibly hazardous lead piping
- Giving homeowners an option for help when facing these needed and high cost repairs
- Helping homeowners maintain their utilities when there is an issue on a shared private line
- Conservation of water
- An option to help fund the WLSSD inflow and infiltration ordinance requirement



**WESTERN LAKE SUPERIOR SANITARY DISTRICT  
ORDINANCE ESTABLISHING STANDARDS  
FOR REDUCTION OF INFLOW AND INFILTRATION**

**Amended June 26, 2017**

**Article I: Authority and Purpose.**

Section 1.1 The Western Lake Superior Sanitary District (“WLSSD”) was established by the Laws of the State of Minnesota as codified in Minn. Stat. Chapter 458D. WLSSD owns and operates a network of interceptor sewers and a regional treatment facility (collectively referred to as the Treatment Works) for the collection and treatment of municipal and industrial wastewater from sources within WLSSD boundaries. To ensure the best use of the Treatment Works, WLSSD regulates and enforces its responsibilities through a series of ordinances, agreements and enforcement mechanisms. The capacity allocation system regulates the distribution of finite Treatment Works capacity among customers. This Ordinance establishes standards for the reduction of Inflow and Infiltration (“I & I”) from municipal wastewater customers through the requirement of the preparation and implementation of I&I ordinances, annual reduction plans and progress reports, elimination of I & I through Sump Pump and Sewer Service Lateral compliance programs for structures and the enforcement of penalties for failure to comply. This Ordinance will protect the health, welfare and safety of the public and the environment by requiring the reduction of I & I, minimizing the risk of overflows in the wastewater conveyance and treatment system (“WCTS”).

**Article II: Definitions.**

- Section 2.1 “*Actual Peak Flow*” means the highest one-hour wastewater flow rate measured in million gallons per day (MGD) actually discharged by a Municipal Customer within any individual clock hour (60-minute average) of any calendar day (24-hour period) based on measurement determined and recorded by WLSSD.
- Section 2.2 “*Average Dry Weather Flow*” means the flow in a sanitary sewer during periods of dry weather in which the sanitary sewer is under minimum influence of inflow and infiltration. The average daily flow in the month of January is typically used.
- Section 2.3 “*Permitted Peak Flow*” means the highest one-hour wastewater flow rate measured in million gallons per day (MGD) allowable per User within any individual clock hour (60-minute average) of any calendar day (24-hour period) as identified in the Customer’s Capacity Allocation Permit. This value is determined by averaging on a five-year basis the Average Dry Weather Flow for each municipal customer and applying the wet weather Municipal Peak Flow Standards as included in the WLSSD Comprehensive Wastewater Services Plan. For industrial customers the Permitted Peak Flow rate is based upon the remaining hydraulic capacity of the WLSSD system.

- Section 2.4 “*Capacity Allocation Permit*” means the permit issued by WLSSD and signed by a Customer which sets wastewater discharge limits for the Customer.
- Section 2.5 “*Capacity Availability Fee*” means the WLSSD fee for new connections to, and estimated expanded uses of, the WCTS.
- Section 2.6 “*Certificate of Sump Pump or Foundation Drain Disconnection I&I Compliance*” means a certificate issued by the Municipal Customer to verify that a building being sold, transferred or otherwise conveyed, or subject to any of the requirements, including a Capacity Availability Fee payment, as provided in Section 7.3 A, is not contributing Inflow and Infiltration to the WCTS.
- Section 2.7 “*Executive Director*” means the person occupying the position of Executive Director of WLSSD or the designee of the Executive Director.
- Section 2.8 “*Foundation Drain*” means an exterior drainage system installed at the footings of a building foundation that collects and diverts water to daylight or to a catch basin where it is pumped to daylight or a storm drain.
- Section 2.9 “*Inflow and Infiltration*” or “*I&I*” means *infiltration*, which is water that seeps or flows into a damaged or leaking portion of the WCTS from the surrounding soil; and *inflow*, which is unwanted water, such as rainwater or melting snow, which enters the WCTS through a direct connection. I&I describes the overall problem of rainwater and groundwater contributing to wastewater flows in the WCTS.
- Section 2.10 “*MGD*” means million gallons per day.
- Section 2.11 “*Municipal Customer*” or “*Customer*” means the cities of Duluth, Proctor, Hermantown, Cloquet, Carlton, Scanlon, Rice Lake and Wrenshall, the townships of Thomson, Midway and Twin Lakes, the Pike Lake Area Wastewater Collection System, the Duluth/North Shore Sanitary District, the Village of Oliver, Wisconsin, the Knife River-Larsmont Sanitary District, and any other governmental entity which discharges wastewater directly to the WLSSD wastewater conveyance system and is not a wastewater customer of another governmental entity.
- Section 2.12 “*New Use*” means the development or redevelopment of a property for a different residential, business or industrial use evidenced by the requirement of a building or plumbing permit issued by a Municipal Customer.

- Section 2.13 “*Sewer Connection*” means the addition of a new use to a municipal sewer system resulting in the increased discharge of wastewater into this system without extending or altering the existing public sanitary sewer infrastructure.
- Section 2.14 “*Sewer Extension*” means extending, expanding or altering sanitary sewer mains, trunks, interceptors or other sewer projects that may prepare for future expansions or services, even if no new flow is initially added. This may include increasing the size of an existing pipe or installing additional pumps or larger pumps to increase pumping capacity.
- Section 2.15 *Sewer Service Lateral* or *Service Lateral* means the privately owned pipeline connecting a structure to the publicly owned sewer main or interceptor.
- Section 2.16 “*Sump Pump*” is a pump used to remove water that has accumulated in a water collecting sump basin, commonly found in the basement of a structure.
- Section 2.17 “*Wastewater Collection and Transmission System*” (“WCTS”) means the system for wastewater collection and transmission, including all pipes, force mains, gravity sewer lines, lift stations, pumping stations, and appurtenances owned and operated by WLSSD and the municipally owned portion of the system which collects wastewater from residences and businesses and conveys it to the portion of the system operated by WLSSD.

### **Article III: Peak Flow Compliance.**

Section 3.1 Municipal Reduction. A Municipal Customer must take appropriate action to ensure that its Actual Peak Flow is reduced to a level no higher than the Permitted Peak Flow specified in the Municipal Customer’s Capacity Allocation Permit.

### **Article IV: Reporting Requirements**

Section 4.1 Any Municipal Customer with a wastewater treatment Capacity Allocation Permit must file the following reports with the Executive Director.

A. Permitted Peak Flow Exceedance Report. If a Municipal Customer has an Actual Peak Flow which exceeds the Municipal Customer’s Permitted Peak Flow as described in Article III, WLSSD will notify the Municipal Customer of the exceedance in writing quarterly each year. Within 30 days of being notified of a Permitted Peak Flow exceedance by WLSSD, the Municipal Customer must provide a written evaluation of what caused the exceedance(s), what actions will be taken to correct the exceedance(s) and when these actions will be completed. The written evaluation must provide written verification that the plans and timelines detailed in the Annual Report will eliminate further exceedances.

If the Municipal Customer has a release of wastewater to the environment from any part of the municipally owned portion of the WCTS, then the Municipal Customer must call the Minnesota Duty Officer as required by Minnesota Statute Section 115.061 as soon as possible and complete an Incident Report as described below:

Incident Report. The incident report must be submitted to WLSSD by the 10<sup>th</sup> calendar day of the month immediately subsequent to the month that the release occurred. The report must include:

1. The Duty Officer report number;
2. If the Municipal Customer has been notified by the MPCA that a release sampling report must be filed along with the Duty Officer report, then a copy of the release sampling report must be included with the Incident Report;
3. The date and time the release began and ended;
4. The location of the release; and
5. The estimated volume of the release.

B. Annual I&I Reduction Plan and Progress Report (“Annual Report”). By February 15<sup>th</sup> of each year each Municipal Customer must submit an Annual Report. This report must include an engineer’s certification and be verified by an authorized representative of the Customer. The Annual Report must contain the following information:

1. Detailed documentation of I & I identification and reduction activities carried out during the reporting year and amount of funds expended. This report should identify the roof drain and footing drain disconnections, manhole covers plugged and sealed, cross connections eliminated, service laterals lined, manholes rehabilitated or replaced, a description of sanitary sewer lines rehabilitated or replaced and other reduction activities. This report should also include the linear feet of sanitary sewer televised, smoke test results, flow monitoring information, footing drain inspection reports, and other I & I identification tasks completed. This report must also include a summary of the previous year’s budget for I & I reduction activities, comparing planned expenses to actual expenses and explaining the variance.
2. Detailed plans of I & I identification and reduction activities that the municipality will complete during the upcoming calendar year. These plans should include activities, expenditures, timelines and milestones.
3. A copy of the most recent version of the Municipal Customer’s sewer ordinance, and a summary of any proposed revisions for the next 12 months. The sewer ordinance must be in conformance with the WLSSD Model Ordinance Regulating the Use of Public and Private Sewers.

4. Copies of any information distributed to the public concerning I & I reduction.
5. A list of Permitted Peak Flow exceedances and wastewater overflows that occurred within the municipality during the previous calendar year with detailed plans and timelines to correct the exceedances and overflows.
6. A quantitative assessment of I & I reduction progress accomplished during the reporting year.
7. A summary of any new connections to the public sanitary sewer system including an updated public sanitary sewer system map.
8. A summary of key maintenance activities and standards utilized to improve or maintain the integrity of the collection system.
9. All information required in Sections 7.2 D and 7.3 D of this Ordinance.

Section 4.2 Adequacy of Submittals. WLSSD will review Submittals (Permitted Peak Flow Exceedance Report, Incident Report, and Annual Report (collectively referred to as "Submittals")) to determine if the Customer has met all requirements of Section 4.1 above. The review will be completed within 45 days after Submittal is received by WLSSD. If notified in writing by WLSSD that the Submittal does not satisfy Section 4.1 requirements, a corrected Submittal must be filed by the Customer within 45 days of the notice.

#### **Article V: Penalties**

Section 5.1 Noncompliance. If a Customer fails to file a Submittal within the deadlines established, fails to substantially comply with the I & I reduction activities and timelines set forth in its Submittals, fails to timely comply with any of the requirements in Article VII or is not making substantial progress in reducing its Actual Peak Flow to the limits described in Article III, then the Customer is noncompliant and subject to one or more of the following penalties as determined by the Executive Director:

- A. No extension and/or connections of Customer's sewer lines will be permitted until such time that the Customer is in compliance with the provisions of this Ordinance; or
- B. Extensions and/or connections of Customer's sewer lines may be limited and subject to the terms or conditions set forth by the Executive Director until Customer is in compliance with the provisions of this Ordinance.
- C. A civil penalty of up to \$500 per day, beginning on the first day of noncompliance and continuing until the Customer is in compliance with the provisions of this Ordinance.

Section 5.2 Notice of Noncompliance. WLSSD will send written notice to a Customer of a finding of Noncompliance, setting forth the basis for the determination, any

penalties imposed on the Customer, and the actions the Customer must take to comply with the Ordinance.

Section 5.3 Noncompliance Resulting in a Release. If the Executive Director finds a Customer is noncompliant with this Ordinance and the Customer Permitted Peak Flow exceedance as described in Article III results in a release of wastewater to the environment, then the Executive Director may assess a civil penalty of up to \$1000 for each such Permitted Peak Flow exceedance. These penalties are in addition to the penalties set forth in Section 5.1 above. If multiple Customers located upstream of a release location contributed Actual Peak Flow exceeding that Customer's Permitted Peak Flow as described in Article III and are noncompliant, then each Customer will be assessed the full penalty.

Section 5.4 Notice and Payment. WLSSD will send written notice to a Customer of a civil penalty under Section 5.3, setting forth the date of the violation, approximate time when the violation occurred, Actual Peak Flow at the time of violation, and the amount the Actual Peak Flow exceeded the Permitted Peak Flow. Prior to the end of the calendar year, WLSSD will notify each Customer which has received a notice of violation that year of the total amount of the penalty due for that year. The penalty shall be paid no later than ninety (90) days from the date of the notice of the total penalty due. Extensions to the payment period may be granted by the Board, subject to a showing of hardship by the applicant.

#### **Article VI: Appeal**

Section 6.1. Any Municipal Customer can challenge by written notice of appeal a decision of the Executive Director made under this Ordinance. The appeal will be decided by the Board. In the notice of appeal the Customer must provide the Board with a written explanation of the reasons supporting the appeal and setting forth the requested relief. The written notice of appeal must be submitted to the Executive Director within thirty (30) days of the date of the written notice of the finding of noncompliance or the written notice of the imposition of a penalty or the written notice of any other decision by the Executive Director under this Ordinance which is adverse to the Customer. The appeal hearing will follow the process set forth in Section 3.6 of the WLSSD Solid Waste Ordinance, unless the parties mutually agree to an alternate appeal hearing process which is defined in writing and signed by both parties.

#### **Article VII: Sewer Service Lateral and Sump Pump or Foundation Drain Disconnection Compliance Programs**

Section 7.1. Written Plan. Each Municipal Customer shall provide to the Executive Director by no later than February 15, 2019 a written Plan describing how the Municipal Customer will satisfy the requirements of this Article. This plan can be submitted separately or included as part of the Annual Report reference in Section IV Part B. The written Plan must address both Sump Pump or Foundation Drain Disconnection and Sewer Service Lateral inspection and correction. The Executive Director will review the Plan and either approve or reject the Plan based on its compliance with the requirements of Article VII. If rejected, the Executive Director will notify the Municipal Customer of the deficiencies in the Plan. An

amended Plan must be submitted by the Municipal Customer within 45 days of notice of the deficiency.

Section 7.2. Sewer Service Lateral Compliance Program. Each Municipal Customer must adopt and enforce an effective Sewer Service Lateral inspection and correction program for structures connected to the WCTS which is designed to prevent any building or structure from contributing Inflow and Infiltration to the public wastewater collection system, regardless of the manner in which the I & I is entering the Sewer Service Lateral.

- A. The inspection and correction program must be based on one or more of the following:
  - 1. *Property Transactions.* A program to inspect and correct Sewer Service Laterals upon a change in real property title or property ownership with one or more buildings or structures located thereon, or upon a significant change in use of one or more buildings or structures located thereon, or upon certain modifications to the plumbing system, so that no such building or structure is contributing Inflow and Infiltration to the WCTS.
  - 2. *Annual Inspection.* A program developed by the Municipal Customer to systematically inspect and correct all Sewer Service Laterals by identifying the number and location of inspections to be done each year to verify that no building or structure is contributing Inflow and Infiltration to the WCTS.
- B. The inspection and correction program must be structured so that the compromised Sewer Service Laterals contributing Inflow and Infiltration to the WCTS within the jurisdiction of the Municipal Customer are corrected within a reasonable period of time, as determined in the discretion of the Executive Director.
- C. The inspection and correction program must include the following components:
  - 1. An annual targeted number of Sewer Service Laterals to be inspected each year and the percentage of the annual target related to the number of Sewer Service Laterals within the jurisdiction of the Municipal Customer.
  - 2. An annual targeted number of Sewer Service Laterals to be corrected or repaired each year.
  - 3. The method used to inspect the Sewer Service Laterals (televising, pressure test, etc.) and the standard to be applied to determine if a Sewer Service Lateral is compliant, including the following:
    - (a) Free of roots, grease deposits, and other solids which may impede or obstruct flow,

- (b) All joints must be watertight and all pipes shall be intact and not deformed,
  - (c) Free of any structural defects such as cracks, breaks, openings or missing portions,
  - (d) All clean-outs shall be securely sealed with a proper cap or approved overflow device at all times, and
  - (e) There shall be no non-sanitary sewer connections to the Sewer Service Lateral or any plumbing that connects thereto.
  - (f) As an alternative, the inspection of the Service Lateral can be conducted by televising the Municipal Customer main sewers during wet weather events to identify I&I from Service Laterals.
4. The method used by the Municipal Customer to target Sewer Service Laterals for repair (point of sale, during planned municipal road or sewer work, etc.).
  5. A description of the enforcement system used by the Municipal Customer to deter noncompliance.
  6. A description of the system used by the Municipal Customer to address repairs needed on shared or common Sewer Service Laterals.
- D. The following information shall be included in the Annual Report submitted by the Municipal Customer pursuant to Article IV:
1. The location by address of the Sewer Service Lateral corrections completed during the reporting period.
  2. An estimate of the total number of Sewer Service Laterals within the jurisdiction of the Municipal Customer.
  3. The address of Sewer Service Laterals inspected by the Municipal Customer during the reporting period and found to be compromised.
  4. The address of Sewer Service Laterals inspected by the Municipal Customer during the reporting year which were found to be in compliance with Sewer Service Lateral program requirements.

Section 7.3. Sump Pump or Foundation Drain Disconnection Compliance Program.  
 Each Municipal Customer must adopt and enforce an effective inspection and correction program which must include:



- A. A requirement that the owner of any dwelling structure, commercial building structure or other building or land upon which such buildings are located which are connected to the WCTS, shall obtain a Certificate of Sump Pump or Foundation Drain Disconnection I&I Compliance from the Municipal Customer (i) prior to selling, transferring, or conveying an interest or entering into an agreement to sell, transfer or otherwise convey an interest in such property, or (ii) upon a determination that the owner of a structure with a new or existing connection to the WCTS must pay a Capacity Availability Fee as a result of a New Use or anticipated wastewater flow increase calculated in accordance with the *WLSSD Capacity Availability Fee Procedures Manual* in effect at the time of the calculation.
- B. A requirement that no owner of real estate described in subsection (A) above shall sell, transfer or otherwise convey an interest or enter into an agreement to sell, transfer or otherwise convey an interest in such property without either (i) presenting the prospective purchaser or grantee with a copy of a Certificate of Sump Pump or Foundation Drain Disconnection I&I Compliance for the subject property or (ii) entering into an agreement as provided in subsection (C) below.
- C. A requirement that property inspected and found to need a Foundation Drain disconnection but determined to have either no sump pump, a sump pump that is not in use, a sump pump that is malfunctioning or discharging into the WCTS, or a Foundation Drain or other source that is discharging I & I into the WCTS be corrected within 120 days of the transfer of the property. The Municipal Customer must have in place a process to compel the Sump Pump or Foundation Drain correction which may be either pursuant to an agreement between the parties together with the escrow of 125% of the repair costs, or pursuant to an alternate process designed to compel the correction.
- D. The following information shall be included in the Annual Report submitted by the Municipal Customer pursuant to Article IV:
1. The location by address of the structures where Sump Pumps or Foundation Drain disconnections were installed during the reporting period.
  2. The total number of Sump Pump installations or Foundation Drain disconnections certified by the Municipal Customer to be in compliance.
  3. The address of structures inspected by the Municipal Customer during the reporting period and found to require Sump Pump installation.
  4. The address of structures inspected by the Municipal Customer during the reporting period and found to require Foundation Drain disconnections other than through use of a Sump Pump.

5. The address of structures inspected by the Municipal Customer during the reporting year which were found to be in compliance with Sump Pump or Foundation Drain disconnection program requirements.

Section 7.4. Record Retention. The inspection records and all documents relating to the requirements of Article VII shall be retained by the Municipal Customer and available to the Board for a minimum of 7 years and not less than the period required by Minnesota law for public records retention for these documents.

Section 7.5 Enforcement Date. The approved Inflow and Infiltration compliance Plan for each Municipal Customer must be in effect and enforceable no later than February 15, 2020. If the Municipal Customer fails to meet the deadline in this Section, the Municipal Customer is in Noncompliance and subject to the penalties in Article V.

**Article VIII: Effective Date**

This amended Ordinance is effective January 1, 2018.

Dated: \_\_\_\_\_, 2017.

SANITARY BOARD OF THE WESTERN  
LAKE SUPERIOR SANITARY DISTRICT

By: \_\_\_\_\_  
Ruth Janke, Chair

By: \_\_\_\_\_  
David Manderfeld, Secretary



2626 Courtland Street  
Duluth, MN 55806-1894  
phone 218.722.3336  
fax 218.727.7471  
www.wlssd.com



## Western Lake Superior Sanitary District

September 29, 2017

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

RE: 2018 Budget Western Lake Superior Sanitary District (WLSSD)

Dear Mr. Benning:

The Board of Directors of the Western Lake Superior Sanitary District approved its 2018 budget at the September 25, 2017 board meeting. The Board approved a 1.94% change in the total wastewater budget. The 2018 budgeted wastewater treatment charges for the City of Duluth are shown below:

Total Annual Charges	\$ 9,094,981
Total Monthly Charge	\$ 757,915

This amount represents an increase from 2017 of \$290,515 or 3.30%.

Please note that any year-end adjustment relating to 2017 wastewater charges will be calculated in January 2018 and sent to you under a separate letter.

The District-wide allocation remains unchanged at \$355,000 for 2018. The 2018 District-wide allocation for the City of Duluth is \$216,889. This amount may be paid in two equal installments. The first is due on or before July 1, 2018, and the second on or before December 1, 2018.

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

Sincerely,

Marianne Bohren  
Executive Director

**WLSSD 2018 BUDGETED FLOWS AND LOADINGS  
FLOW (MGD)**

	ACTUAL 2016	BUDGET 2017	AVG THROUGH August-17	BUDGET 2018
DULUTH	12.870	12.600	14.548	12.600
CLOQUET	1.069	1.200	1.143	1.200
HERMANTOWN	0.635	0.700	0.650	0.700
PROCTOR	0.464	0.500	0.499	0.500
ESKO (Includes Helb/Lars)	0.178	0.2031	0.208	0.2062
SCANLON	0.161	0.160	0.190	0.162
CARLTON	0.120	0.150	0.168	0.150
THOMSON (City only)	0.010	0.010	0.010	0.010
TWIN LAKES	0.080	0.075	0.071	0.075
RICE LAKE	0.059	0.060	0.065	0.060
OLIVER	0.020	0.022	0.021	0.022
PIKE LAKE	0.083	0.100	0.093	0.100
KNIFE RIVER	0.021	0.022	0.022	0.022
MPCA LANDFILL	0.024	0.025	0.012	0.002
WRENSHALL	0.026	0.025	0.034	0.025
JAY COOKE	0.003	0.002	0.003	0.002
BUFFALO/MIDWAY	0.005	0.0050	0.003	0.0030
DULUTH/NORTH SHORE	0.048	0.050	0.056	0.050
MUNICIPAL SUBTOTAL	<b>15.874</b>	<b>15.909</b>	<b>17.796</b>	<b>15.889</b>
SAPPI	15.882	15.500	16.165	15.500
USG	0.460	0.400	0.445	0.400
VERSO DULUTH MILL	4.508	4.400	4.605	4.400
SPECIALTY MINERALS	0.230	0.210	0.248	0.210
INDUSTRIAL SUBTOTAL	<b>21.0806</b>	<b>20.510</b>	<b>21.463</b>	<b>20.510</b>
TOTAL FLOW	<b>36.955</b>	<b>36.419</b>	<b>39.259</b>	<b>36.399</b>

**WLSSD 2018 BUDGETED FLOWS AND LOADINGS**  
**BOD (LBS/DAY)**

	ACTUAL 2016	BUDGET 2017	AVG THROUGH August-17	BUDGET 2018
DULUTH	13,064	13,140	13,158	13,140
CLOQUET	1,463	1,641	1,564	1,641
HERMANTOWN	1,180	1,150	1,181	1,150
PROCTOR	470	470	690	470
ESKO (Includes Helb/Lars)	250	250	250	255
SCANLON	268	267	316	270
CARLTON	130	130	130	130
THOMSON (City only)	17	17	17	17
TWIN LAKES	246	231	219	231
RICE LAKE	99	100	108	100
OLIVER	34	37	36	37
PIKE LAKE	139	167	156	167
KNIFE RIVER	34	37	37	37
MPCA LANDFILL	40	42	20	3
WRENSHALL	43	42	57	42
JAY COOKE	4	3	5	3
BUFFALO/MIDWAY	11	13	7	8
DULUTH/NORTH SHORE	81	83	93	83
MUNICIPAL SUBTOTAL	<u>17,573</u>	<u>17,819</u>	<u>18,044</u>	<u>17,784</u>
SAPPI	50,361	43,000	42,961	43,500
USG	1,345	1,200	1,313	1,200
VERSO DULUTH MILL	25,011	23,500	20,955	22,500
SPECIALTY MINERALS	6	6	7	6
INDUSTRIAL SUBTOTAL	<u>76,723</u>	<u>67,706</u>	<u>65,236</u>	<u>67,206</u>
TOTAL BOD	<u>94,296</u>	<u>85,525</u>	<u>83,280</u>	<u>84,990</u>

**WLSSD 2018 BUDGETED FLOWS AND LOADINGS  
SUSPENDED SOLIDS (LBS/DAY)**

	ACTUAL 2016	BUDGET 2017	AVG THROUGH August-17	BUDGET 2018
DULUTH	16,286	16,800	15,157	16,800
CLOQUET	2,515	2,822	2,689	2,822
HERMANTOWN	1,180	1,100	1,073	1,100
PROCTOR	548	500	862	500
ESKO (Includes Helb/Lars)	300	300	300	280
SCANLON	268	267	316	270
CARLTON	160	160	160	160
THOMSON (City only)	17	17	17	17
TWIN LAKES	246	231	219	231
RICE LAKE	99	100	108	100
OLIVER	34	37	36	37
PIKE LAKE	139	167	156	167
KNIFE RIVER	34	37	37	37
MPCA LANDFILL	40	42	20	3
WRENSHALL	43	42	57	42
JAY COOKE	4	3	5	3
BUFFALO/MIDWAY	8	8	5	5
DULUTH/NORTH SHORE	81	83	93	83
MUNICIPAL SUBTOTAL	<u>22,002</u>	<u>22,716</u>	<u>21,310</u>	<u>22,657</u>
SAPPI	17,522	16,500	12,717	13,500
USG	426	350	588	500
VERSO DULUTH MILL	2,627	1,600	4,859	2,100
SPECIALTY MINERALS	1,338	800	2,593	800
INDUSTRIAL SUBTOTAL	<u>21,913</u>	<u>19,250</u>	<u>20,757</u>	<u>16,900</u>
TOTAL DISTRICT	<u>43,915</u>	<u>41,966</u>	<u>42,067</u>	<u>39,557</u>

**2018 Budget**  
**Wastewater Unit Costs**

<u>VOLUME</u>	BUDGET 2017	BUDGET 2018	% CHANGE
FLOW (MGD)	36.42	36.40	-0.06%
BOD (LBS/DAY)	85,525	84,990	-0.63%
SUSPENDED SOLIDS (LBS/DAY)	41,966	39,557	-5.74%
 <u>O &amp; M UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.5447	\$0.5570	2.25%
PEAK FLOW	\$0.0418	\$0.0416	-0.33%
BOD (COST/LB)	\$0.1483	\$0.1507	1.57%
SUSPENDED SOLIDS (COST/LB)	\$0.2979	\$0.3199	7.38%
 <u>O &amp; M + DEBT SERVICE UNIT COSTS</u>			
FLOW (COST/1000 GAL)	\$0.7245	\$0.7468	3.08%
PEAK FLOW	\$0.0947	\$0.0968	2.21%
BOD (COST/LB)	\$0.2144	\$0.2168	1.09%
SUSPENDED SOLIDS (COST/LB)	\$0.3814	\$0.4029	5.64%
DOMESTIC EQUIV (COST/1000GAL)	\$1.8131	\$1.8772	3.54%

**2018 Budget  
Wastewater Treatment Charges**

	BUDGET 2017	BUDGET 2018	INCREASE (DECREASE)	% CHANGE
DULUTH	\$8,804,466	\$9,094,981	\$290,515	3.30%
CLOQUET	\$941,035	\$981,235	\$40,200	4.27%
PROCTOR	\$292,022	\$302,046	\$10,025	3.43%
HERMANTOWN	\$437,208	\$458,391	\$21,183	4.85%
ESKO	\$126,971	\$130,903	\$3,932	3.10%
SCANLON	\$98,982	\$104,182	\$5,200	5.25%
CARLTON	\$102,601	\$105,714	\$3,114	3.03%
RICE LAKE	\$47,640	\$49,285	\$1,645	3.45%
TWIN LAKE	\$74,146	\$77,537	\$3,391	4.57%
PIKE LAKE	\$65,373	\$67,734	\$2,361	3.61%
KNIFE RIVER	\$16,986	\$17,617	\$631	3.72%
OLIVER	\$16,395	\$16,974	\$579	3.53%
THOMSON	\$8,303	\$8,574	\$271	3.26%
WRENSHALL	\$18,259	\$19,092	\$833	4.56%
JAY COOKE	\$3,466	\$3,426	-\$39	-1.14%
MIDWAY	\$5,482	\$4,567	-\$915	-16.69%
MPCA LANDFILL	\$21,946	\$11,374	-\$10,572	-48.17%
DULUTH/NORTH SHORE	\$42,174	\$43,398	\$1,224	2.90%
SUBTOTAL	\$11,123,454	\$11,497,033	\$373,578	3.36%
SAPPI	\$10,448,457	\$10,477,208	\$28,750	0.28%
GEORGIA PACIFIC DEBT SERV ONLY	\$75,212	\$69,809	-\$5,403	-7.18%
USG	\$430,224	\$453,711	\$23,487	5.46%
VERSO	\$3,676,237	\$3,757,482	\$81,245	2.21%
SPECIALTY MINERALS	\$252,431	\$256,051	\$3,620	1.43%
SUBTOTAL	\$14,882,561	\$15,014,261	\$131,700	0.88%
TOTAL DISTRICT	\$26,006,015	\$26,511,294	\$505,279	1.94%



**2018 Budget  
Wastewater Treatment Charges**

	BUDGET 2017	BUDGET 2018	INCREASE (DECREASE)	% CHANGE
DULUTH	\$8,804,466	\$9,094,981	\$290,515	3.30%
CLOQUET	\$941,035	\$981,235	\$40,200	4.27%
PROCTOR	\$292,022	\$302,046	\$10,025	3.43%
HERMANTOWN	\$437,208	\$458,391	\$21,183	4.85%
ESKO	\$126,971	\$130,903	\$3,932	3.10%
SCANLON	\$98,982	\$104,182	\$5,200	5.25%
CARLTON	\$102,601	\$105,714	\$3,114	3.03%
RICE LAKE	\$47,640	\$49,285	\$1,645	3.45%
TWIN LAKE	\$74,146	\$77,537	\$3,391	4.57%
PIKE LAKE	\$65,373	\$67,734	\$2,361	3.61%
KNIFE RIVER	\$16,986	\$17,617	\$631	3.72%
OLIVER	\$16,395	\$16,974	\$579	3.53%
THOMSON	\$8,303	\$8,574	\$271	3.26%
WRENSHALL	\$18,259	\$19,092	\$833	4.56%
JAY COOKE	\$3,466	\$3,426	-\$39	-1.14%
MIDWAY	\$5,482	\$4,567	-\$915	-16.69%
MPCA LANDFILL	\$21,946	\$11,374	-\$10,572	-48.17%
DULUTH/NS	\$42,174	\$43,398	\$1,224	2.90%
<b>SUBTOTAL</b>	<b>\$11,123,454</b>	<b>\$11,497,033</b>	<b>\$373,578</b>	<b>3.36%</b>
	<u>Billed Estimate</u>			
SAPPI	\$10,166,922	\$10,477,208	\$310,286	3.05%
GEORGIA PACIFIC DEBT SERV ONLY	\$75,212	\$69,809	-\$5,403	-7.18%
USG	\$471,089	\$453,711	-\$17,378	-3.69%
VERSO	\$3,847,374	\$3,757,482	-\$89,892	-2.34%
SPECIALTY MINERALS	\$387,364	\$256,051	-\$131,313	-33.90%
<b>SUBTOTAL</b>	<b>\$14,947,960</b>	<b>\$15,014,261</b>	<b>\$66,301</b>	<b>0.44%</b>
<b>TOTAL DISTRICT</b>	<b>\$26,071,414</b>	<b>\$26,511,294</b>	<b>\$439,879</b>	<b>1.69%</b>

**2018 Budget  
O&M Cost Comparison**

	BUDGET 2017	BUDGET 2018	INCREASE (DECREASE)	% CHANGE
DULUTH	\$5,579,566	\$5,780,097	\$200,531	3.59%
CLOQUET	\$669,275	\$698,562	\$29,286	4.38%
PROCTOR	\$192,903	\$199,505	\$6,602	3.42%
HERMANTOWN	\$329,901	\$342,806	\$12,905	3.91%
ESKO	\$90,189	\$92,228	\$2,039	2.26%
SCANLON	\$76,389	\$80,347	\$3,958	5.18%
CARLTON	\$60,856	\$62,899	\$2,043	3.36%
RICE LAKE	\$30,865	\$32,013	\$1,148	3.72%
TWIN LAKE	\$55,012	\$57,393	\$2,381	4.33%
PIKE LAKE	\$49,075	\$50,995	\$1,921	3.91%
KNIFE RIVER	\$12,057	\$12,476	\$418	3.47%
OLIVER	\$10,899	\$11,321	\$422	3.87%
THOMSON	\$5,269	\$5,460	\$191	3.62%
WRENSHALL	\$12,448	\$12,927	\$480	3.85%
JAY COOKE	\$1,063	\$1,101	\$38	3.59%
MIDWAY	\$2,609	\$1,668	-\$941	-36.07%
MPCA LANDFILL	\$12,951	\$2,514	-\$10,437	-80.59%
DULUTH/NORTH SHORE	\$27,486	\$28,437	\$951	3.46%
SUBTOTAL	\$7,218,814	\$7,472,749	\$253,935	3.52%
SAPPI	\$7,333,131	\$7,248,282	-\$84,849	-1.16%
USG	\$194,739	\$217,831	\$23,092	11.86%
VERSO	\$2,375,852	\$2,431,607	\$55,755	2.35%
SPECIALTY MINERALS	\$133,480	\$140,826	\$7,346	5.50%
SUBTOTAL	\$10,037,201	\$10,038,545	\$1,344	0.01%
TOTAL DISTRICT	\$17,256,015	\$17,511,294	\$255,279	1.48%

**2018 Budget  
Debt Service Costs**

	BUDGET 2017	BUDGET 2018	INCREASE (DECREASE)	%
				CHANGE
DULUTH	\$3,224,900	\$3,314,884	\$89,984	2.79%
CLOQUET	\$271,759	\$282,673	\$10,914	4.02%
PROCTOR	\$99,119	\$102,541	\$3,422	3.45%
HERMANTOWN	\$107,307	\$115,585	\$8,278	7.71%
ESKO	\$36,782	\$38,675	\$1,893	5.15%
SCANLON	\$22,593	\$23,835	\$1,242	5.50%
CARLTON	\$41,745	\$42,815	\$1,071	2.56%
RICE LAKE	\$16,775	\$17,272	\$498	2.97%
TWIN LAKE	\$19,134	\$20,144	\$1,010	5.28%
PIKE LAKE	\$16,298	\$16,739	\$441	2.70%
KNIFE RIVER	\$4,928	\$5,141	\$213	4.32%
OLIVER	\$5,496	\$5,653	\$157	2.86%
THOMSON	\$3,034	\$3,114	\$80	2.64%
WRENSHALL	\$5,811	\$6,165	\$353	6.08%
JAY COOKE	\$2,403	\$2,325	(\$78)	-3.23%
MIDWAY	\$2,873	\$2,900	\$26	0.91%
MPCA LANDFILL	\$8,995	\$8,860	(\$135)	-1.50%
DULUTH/NORTH SHORE SUBTOTAL	\$14,687 \$3,904,640	\$14,961 \$4,024,284	\$274 \$119,643	1.86% 3.06%
SAPPI	\$3,115,327	\$3,228,926	\$113,600	3.65%
GEORGIA PACIFIC DEBT SERV ONLY	\$75,212	\$69,809	(\$5,403)	-7.18%
USG	\$235,485	\$235,881	\$395	0.17%
VERSO	\$1,300,385	\$1,325,875	\$25,490	1.96%
SPECIALTY MINERALS SUBTOTAL	\$118,951 \$4,845,360	\$115,225 \$4,975,716	(\$3,726) \$130,357	-3.13% 2.69%
TOTAL DISTRICT	\$8,750,000	\$9,000,000	\$250,000	2.86%

Western Lake Superior Sanitary District  
 Billing Detail  
 2018 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	\$2,561,434	\$534,695	\$722,571	\$1,961,398	\$5,780,097	\$1,249,660	\$962,336	\$2,211,997	\$449,233	\$653,654	\$3,314,884	\$9,094,981
2	Cloquet	Budget	\$243,946	\$34,861	\$90,256	\$329,498	\$698,562	\$97,007	\$70,363	\$167,370	\$44,064	\$71,239	\$282,673	\$981,235
3	Proctor	Budget	\$101,644	\$13,641	\$25,845	\$58,375	\$199,505	\$42,264	\$28,649	\$70,912	\$13,423	\$18,205	\$102,541	\$302,046
4	Hermantown	Budget	\$142,302	\$8,841	\$63,239	\$128,425	\$342,806	\$40,947	\$22,140	\$63,087	\$22,111	\$30,387	\$115,565	\$458,391
5	Esko	Budget	\$41,918	\$3,587	\$14,022	\$32,690	\$92,228	\$14,651	\$8,919	\$23,570	\$6,295	\$8,810	\$38,675	\$130,903
6	Scanlon	DE	\$32,902	\$1,081	\$14,845	\$31,518	\$80,347	\$9,294	\$5,900	\$15,194	\$4,104	\$4,537	\$23,835	\$104,182
7	Carlton	Budget	\$30,493	\$6,577	\$7,149	\$18,680	\$62,899	\$20,591	\$14,114	\$34,705	\$3,344	\$4,766	\$42,815	\$105,714
8	Rice Lake	DE	\$12,197	\$2,628	\$5,503	\$11,684	\$32,013	\$6,455	\$4,691	\$11,146	\$2,701	\$3,425	\$17,272	\$49,285
9	Twin Lake	Budget	\$15,247	\$2,400	\$12,727	\$27,020	\$57,393	\$6,085	\$4,359	\$10,444	\$4,588	\$5,111	\$20,144	\$77,537
10	Pike Lake	DE	\$20,329	\$2,020	\$9,172	\$19,474	\$50,995	\$6,617	\$4,394	\$11,011	\$2,634	\$3,095	\$16,739	\$67,734
11	Knife River	DE	\$4,472	\$1,701	\$2,018	\$4,284	\$12,476	\$1,415	\$1,241	\$3,536	\$705	\$900	\$5,141	\$17,617
12	Oliver	DE	\$4,472	\$547	\$2,018	\$4,284	\$11,321	\$1,758	\$1,241	\$2,998	\$1,158	\$1,497	\$5,653	\$16,974
13	Thomson	DE	\$2,033	\$562	\$917	\$1,947	\$5,460	\$1,161	\$843	\$2,004	\$518	\$593	\$3,114	\$8,574
14	Wrenshall	DE	\$5,082	\$684	\$2,293	\$4,868	\$12,927	\$2,357	\$1,409	\$3,767	\$1,136	\$1,262	\$6,165	\$19,092
15	Jay Cooke	DE	\$407	\$122	\$183	\$389	\$1,101	\$586	\$418	\$1,004	\$583	\$738	\$2,325	\$3,426
16	Midway	DE	\$610	\$61	\$413	\$584	\$1,668	\$1,350	\$779	\$2,129	\$326	\$445	\$2,800	\$4,567
17	MPCA Landfill	DE	\$407	\$1,534	\$183	\$389	\$2,514	\$3,516	\$2,094	\$5,610	\$2,035	\$1,216	\$8,860	\$11,374
18	Unused	DE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
19	North Shore	DE	\$10,164	\$3,949	\$4,586	\$9,737	\$28,437	\$5,048	\$4,908	\$9,956	\$2,208	\$2,797	\$14,961	\$43,398
21	Totals-Municipalities		\$3,230,060	\$619,501	\$977,942	\$2,645,247	\$7,472,749	\$1,510,763	\$1,139,677	\$2,650,440	\$561,165	\$812,678	\$4,024,284	\$11,497,033
Industrials-														
22	Georgia Pacific		\$0	\$0	\$0	\$0	\$0	\$11,358	\$5,205	\$16,563	\$42,139	\$11,107	\$69,809	\$69,809
23	Sappi		\$3,150,970	\$129,117	\$2,392,071	\$1,576,123	\$7,248,282	\$1,057,433	\$447,773	\$1,505,205	\$1,208,752	\$514,969	\$3,228,926	\$10,477,208
24	VERSO		\$894,469	\$54,685	\$1,237,278	\$245,175	\$2,431,607	\$348,947	\$141,389	\$490,336	\$711,531	\$124,008	\$1,325,875	\$3,757,482
25	USG		\$81,315	\$12,152	\$65,988	\$58,375	\$217,831	\$39,003	\$24,736	\$63,739	\$81,084	\$91,058	\$235,881	\$453,711
27	Specialty Minerals		\$42,691	\$4,405	\$330	\$93,400	\$140,826	\$22,339	\$10,066	\$32,406	\$292	\$82,528	\$115,225	\$256,051
28	Totals-Industrials		\$4,169,445	\$200,359	\$3,696,668	\$1,973,073	\$10,038,545	\$1,479,080	\$629,169	\$2,108,249	\$2,043,798	\$823,669	\$4,975,716	\$15,014,261
30	Totals-All Users		\$7,399,505	\$819,859	\$4,673,610	\$4,618,320	\$17,511,294	\$2,989,843	\$1,768,846	\$4,758,689	\$2,604,963	\$1,636,348	\$9,000,000	\$26,511,294

**WLSSD DISTRICT-WIDE ALLOCATION  
2018 BUDGET**

	TAX CAPACITY			TAX CAPACITY		
	VALUE 2017 (THOUSANDS)	% OF TOTAL	DWA 2017	VALUE 2018 (THOUSANDS)	% OF TOTAL	DWA 2018
<u>ST. LOUIS COUNTY</u>						
DULUTH	\$62,061	61.04%	\$216,697	\$70,996	61.10%	\$216,889
HERMANTOWN	\$10,470	10.30%	\$36,558	\$12,617	10.86%	\$38,544
PROCTOR	\$2,074	2.04%	\$7,242	\$2,424	2.09%	\$7,405
CANOSIA	\$2,106	2.07%	\$7,353	\$2,463	2.12%	\$7,524
DULUTH TOWNSHIP	\$511	0.50%	\$1,783	\$587	0.50%	\$1,792
GRAND LAKE	\$2,814	2.77%	\$9,826	\$3,191	2.75%	\$9,748
LAKEWOOD *	\$459	0.45%	\$1,601	\$544	0.47%	\$1,661
MIDWAY *	\$407	0.40%	\$1,419	\$444	0.38%	\$1,356
RICE LAKE	\$2,662	2.62%	\$9,295	\$3,277	2.82%	\$10,011
SOLWAY *	\$395	0.39%	\$1,379	\$449	0.39%	\$1,372
<b>SUBTOTAL</b>	<b>\$83,958</b>	<b>82.58%</b>	<b>\$293,154</b>	<b>\$96,991</b>	<b>83.47%</b>	<b>\$296,303</b>
<u>CARLTON COUNTY</u>						
CARLTON/THOMSON	\$582	0.57%	\$2,032	\$622	0.54%	\$1,900
CLOQUET	\$8,004	7.87%	\$27,947	\$8,512	7.32%	\$26,004
SCANLON	\$651	0.64%	\$2,273	\$762	0.66%	\$2,328
WRENSHALL	\$284	0.28%	\$992	\$307	0.26%	\$938
SILVERBROOK*	\$515	0.51%	\$1,796	\$548	0.47%	\$1,673
THOMSON TOWNSHIP	\$5,022	4.94%	\$17,535	\$5,493	4.73%	\$16,781
TWIN LAKES	\$2,655	2.61%	\$9,270	\$2,970	2.56%	\$9,073
<b>SUBTOTAL</b>	<b>\$17,713</b>	<b>17.42%</b>	<b>\$61,846</b>	<b>\$19,214</b>	<b>16.53%</b>	<b>\$58,697</b>
<b>TOTAL DWA</b>	<b>\$101,670</b>	<b>100.00%</b>	<b>\$355,000</b>	<b>\$116,205</b>	<b>100.00%</b>	<b>\$355,000</b>

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