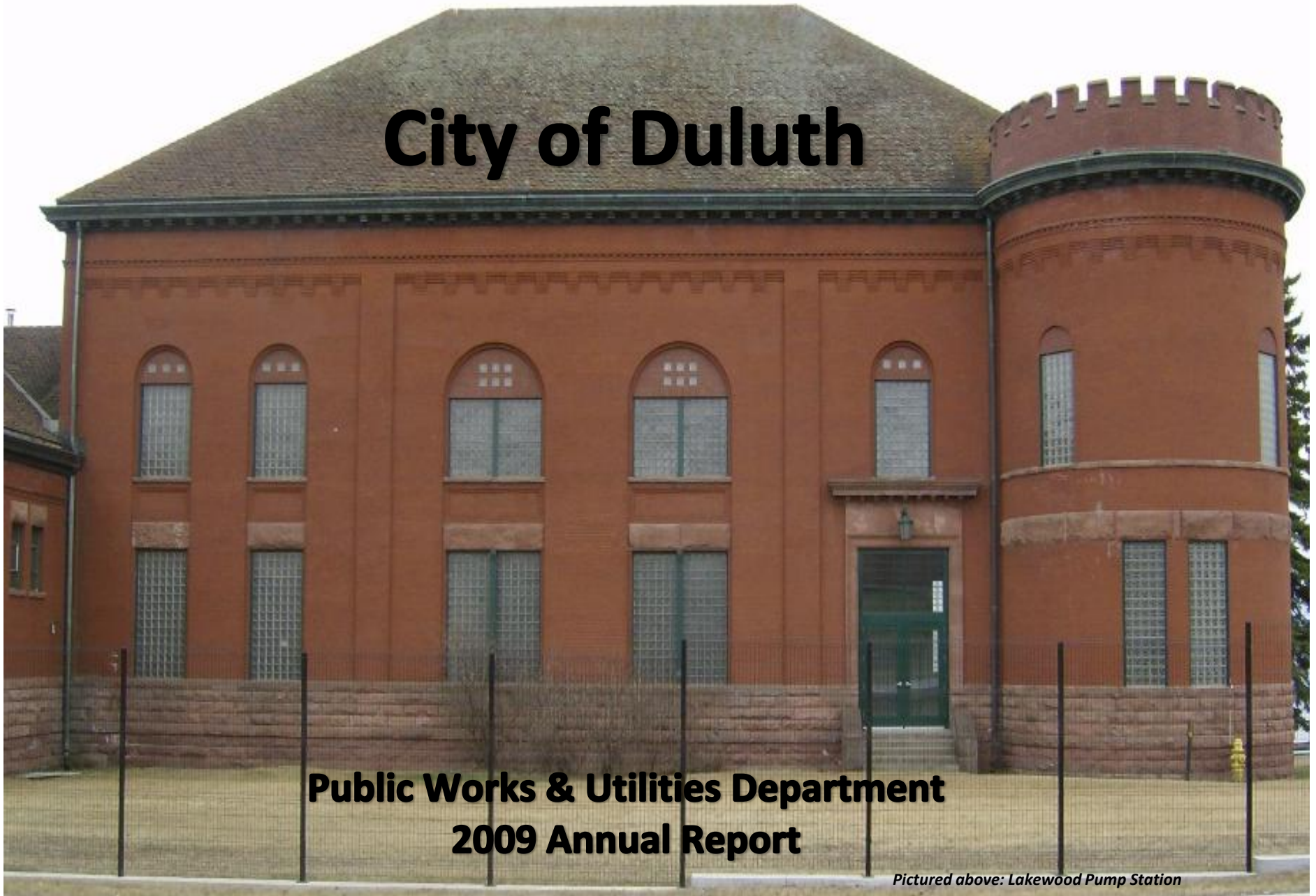


City of Duluth

Public Works & Utilities Department 2009 Annual Report

Pictured above: Lakewood Pump Station



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OFFICERS OF THE DEPARTMENT

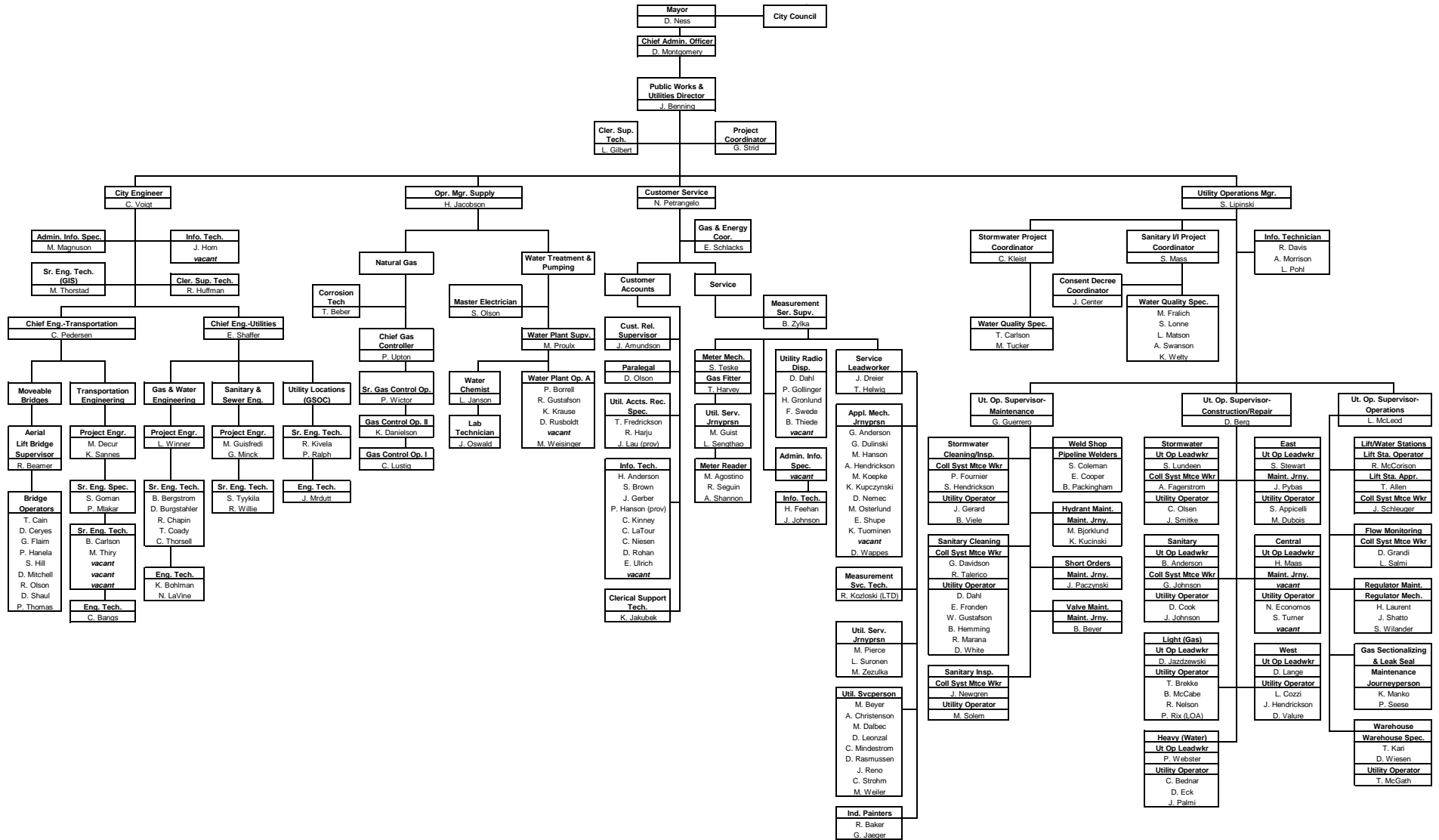
Mayor	Don Ness
Chief Administrative Officer	Dave Montgomery

City Council Public Works & Utilities Committee
Councilor Jay Fosle

DEPARTMENT OF PUBLIC WORKS & UTILITIES

Director	.....	Jim Benning
City Engineer	.....	Cindy Voigt
Manager, Customer Service	.....	Nick Petrangelo
Manager, Utility Operations	.....	Steve Lipinski
Operations Manager, Gas & Water Supply	.....	Howard Jacobson
Chief Engineer, Utilities	.....	Eric Shaffer
Safety & Training Officer	.....	Julie Baker
Accounting	.....	Ken Taylor

**CITY OF DULUTH
PUBLIC WORKS & UTILITIES DEPARTMENT 2009**



**W
A
T
E
R**

Water Utility
Statement of Net Income
For The Year Ended December 31, 2009 and 2008
(Unaudited)

	2009		2008
<u>Operating Revenue</u>			
Metered Water Sales	\$ 11,701,062		\$ 11,131,136
Other	243,934		222,626
Total Operating Revenue	\$ 11,944,996		\$ 11,353,762
<u>Operating Expense</u>			
Director's Office	60,713		60,963
Capital Related Expenses	1,328,840		1,678,616
Utility General Expense	2,083,325		2,666,912
Engineering	224,523		389,058
Utility Operations	2,524,013		2,346,229
Water Treatment and Pumping	2,802,645		2,519,182
Customer Service	1,478,969		1,427,626
Total Operating Expense	(10,503,028)		(11,088,586)
Operating Income	1,441,968		265,176
<u>Other Revenue</u>			
Contributed Capital	21,822		47,512
Gain or Loss on the Sale of Fixed Assets	8,601		3,372
Transfer from Other Funds			
Fleet Services Rebate	0		21,000
Intergovernmental	16,919		16,919
Interest Income	52,435		107,175
Total Other Revenue	99,777		195,978
<u>Other Expenses and Transfers</u>			
Transfer to Other Funds			
Investing Activities	26,732		70,193
Non-Capital Improvements	291,400		434,218
Interest on Long Term Debt	297,249		240,761
Total Other Expenses and Transfers	(615,381)		(745,172)
Net Income or Loss	\$ 926,364		\$ (284,018)

**Water Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)**

	Assets	
	2009	2008
<u>Current Assets</u>		
Cash	\$ 2,106,624	\$ 1,924,597
Restricted Cash and Equivalents:		
Minnesota Water Connection Fees	89,040	89,040
Construction	0	0
Accounts Receivable (Net)	1,157,907	928,966
Interfund Loan Receivable	0	884,234
Due from Other Funds	82,497	44,875
Special Assessments	78,870	116,042
Due from Other Governments	65,694	718
Inventory	786,893	832,852
Total Current Assets	\$ 4,367,525	\$ 4,821,324
<u>Utility Plant</u>		
In Service	67,626,235	62,833,907
Construction	2,044,462	4,684,108
Less Accumulated Depreciation	28,258,775	(27,111,789)
Total Utility Plant Assets	41,411,922	40,406,226
<u>Other Assets</u>		
Special Assessments Receivable	282,079	336,889
Issuance Costs	38,943	29,748
Total Other Assets	321,022	366,637
Total Assets	\$ 46,100,469	\$ 45,594,187

Water Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)

	Liabilities & Net Assets	
	2009	2008
<u>Current Liabilities</u>		
Accounts Payable	\$ 232,795	\$ 202,019
Contracts Payable	143,850	82,104
Due to Other Governments	148,566	151,400
Due to Other Funds	1,150,417	1,833,664
Accrued Salaries Payable	121,234	107,697
Vacations Payable	216,196	0
Accrued Interest Payable	137,494	91,760
Notes Payable	345,955	181,608
Bonds Payable	460,000	446,000
Leases Payable	106,910	126,861
Deferred Revenue	452,407	0
Customer Deposits	10,000	10,000
	<u>3,525,824</u>	<u>3,233,113</u>
Total Current Liabilities (Payable from Current Assets)	\$ 3,525,824	\$ 3,233,113
<u>Long Term Liabilities</u>		
Vacations Payable	21,328	248,869
Net Other Post Employment Benefits	347,551	810,345
Notes Payable	1,996,408	1,862,124
Bonds Payable	3,737,000	4,001,000
Leases Payable	3,141,048	3,043,812
Less Unamortized Bond Discount	(12,108)	(22,130)
	<u>9,231,227</u>	<u>9,944,020</u>
Total Long Term Liabilities	9,231,227	9,944,020
Total Liabilities	12,757,051	13,177,133
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	31,675,652	30,796,699
Unrestricted	1,667,766	1,620,355
	<u>33,343,418</u>	<u>32,417,054</u>
Total Net Assets	33,343,418	32,417,054
Total Liabilities and Net Assets	\$ 46,100,469	\$ 45,594,187

City of Duluth
Water Utility Bonds, Notes and Capital Leases Payable
December 31, 2009

	<u>Issued</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding 12/31/2008</u>	<u>Issued</u>	<u>Draw Down</u>	<u>Retired</u>	<u>Principal Outstanding 12/31/2009</u>
Water Utility Bonds								
Revenue and General Obligation	\$ 1,690,000	9/1/2002	2/1/2018	\$ 1,232,000	\$ 0	\$ 0	\$ 101,000	\$ 1,131,000
Revenue and General Obligation	1,385,000	12/1/2002	2/1/2018	1,005,000	0	0	85,000	920,000
Revenue and General Obligation Refunding	625,000	3/1/2003	2/1/2010	190,000	0	0	95,000	95,000
Revenue and General Obligation	1,120,000	12/19/2006	2/1/2022	1,070,000	0	0	60,000	1,010,000
Revenue and General Obligation Refunding	950,000	12/13/2007	2/1/2016	950,000	0	0	105,000	845,000
Revenue and General Obligation	196,000	2/19/2009	2/1/2024	0	196,000	0	0	196,000
Bond Total				\$ 4,447,000	\$ 196,000	\$ 0	\$ 446,000	\$ 4,197,000
Notes								
Public Facilities Authority	\$ 870,000	8/25/2003	8/20/2018	\$ 628,732	\$ 0	\$ 0	\$ 55,608	\$ 573,124
Public Facilities Authority	1,971,532	7/2/2004	8/20/2018	1,415,000	0	0	126,000	1,289,000
Public Facilities Authority	1,698,450	10/28/2009	8/20/2019	0	0	480,239	0	480,239
Note Total				\$ 2,043,732	\$ 0	\$ 480,239	\$ 181,608	\$ 2,342,363
Capital Leases								
AMR System	\$ 3,443,490	7/12/2007	2/1/2024	\$ 3,170,673	\$ 0	\$ 205,313	\$ 128,028	\$ 3,247,958
Capital Lease Total				\$ 3,170,673	\$ 0	\$ 205,313	\$ 128,028	\$ 3,247,958
Total Water Utility Bonds, Notes and Capital Leases				\$ 9,661,405	\$ 196,000	\$ 685,552	\$ 755,636	\$ 9,787,321

Future Payments:			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 912,865	\$ 333,374	\$ 1,246,239
2011	923,360	320,271	1,243,631
2012	950,119	291,798	1,241,917
2013	985,146	261,902	1,247,048
2014	1,010,446	230,554	1,241,000
2015	1,047,037	197,810	1,244,847
2016	1,082,925	163,527	1,246,452
2017	977,123	130,517	1,107,640
2018	1,009,643	98,725	1,108,368
2019	522,845	71,894	594,739
2020	359,252	56,536	415,788
2021	375,017	42,447	417,464
2022	385,156	27,797	412,953
2023	301,684	14,674	316,358
2024	162,915	3,104	166,019
	\$ 11,005,533	\$ 2,244,930	\$ 13,250,463

Water Fund
Schedule of Fixed Assets
Year Ending December 31, 2009

	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Book Value</u>
Lands and Grounds	\$ 205,703	\$ 0	\$ 2,003	\$ 203,700	\$ 0	\$ 203,700
Infrastructure	41,461,682	1,290,847	0	42,752,529	14,003,864	28,748,665
Buildings and Structures	17,107,907	96,113	0	17,204,020	10,956,135	6,247,885
Equipment and Tools	4,058,615	3,512,728	105,357	7,465,986	3,298,776	4,167,210
Work in Progress	<u>4,684,107</u>	<u>2,194,095</u>	<u>4,833,740</u>	<u>2,044,462</u>	<u>0</u>	<u>2,044,462</u>
Total	<u>\$ 67,518,014</u>	<u>\$ 7,093,783</u>	<u>\$ 4,941,100</u>	<u>\$ 69,670,697</u>	<u>\$ 28,258,775</u>	<u>\$ 41,411,922</u>

COMPARATIVE STATEMENT, OPERATING EXPENSE OF ALL STATIONS, YEARS 2008 AND 2009

Station	Year	Daily Average Gallons Pumped, Initial Supply	Gallons Pumped	Electricity
Lakewood	2009	16,973,333	6,201,670,000	\$ 537,514
	2008	16,919,918	6,175,770,000	\$ 598,729
Middle	2009		1,432,301,000	\$ 95,398
	2008		1,301,004,000	\$ 95,552
Woodland	2009		606,300,000	\$ 118,041
	2008		605,076,000	\$ 94,567
West Duluth	2009		2,693,490,000	\$ 43,104
	2008		2,657,940,000	\$ 39,235
Orphanage	2009		170,160,000	\$ 6,431
	2008		142,763,800	\$ 6,365
Highland	2009		471,673,000	\$ 24,293
	2008		465,158,000	\$ 23,924
Arlington	2009		730,401,000	\$ 53,332
	2008		716,507,000	\$ 56,502
Lakeside	2009		68,002,000	\$ 9,118
	2008		64,260,600	\$ 8,212
Bay View	2009		240,327,000	\$ 20,500
	2008		221,915,800	\$ 19,248
Proctor	2009		170,041,000	\$ 19,523
	2008		154,442,000	\$ 15,439
Airport	2009		unmetered	\$ 1,161
	2008		unmetered	\$ 1,296
TOTALS	2009	16,973,333	12,784,365,000	\$ 928,415
	2008	16,919,918	12,504,837,200	\$ 959,069

WATER PLANT STATISTICS

	2009	2008	2007	2006	2005	2004	2003
Water Pumped							
Million Cubic Feet	829.1	826	846	832.4	825.1	862.6	903.1
Water Sold							
Million Cubic Feet	658	601	746	697.8	704.7	718.8	730.7
General & Distribution Operating							
Costs including Maintenance (*)	\$ 9,250,685	\$ 9,930,687	\$ 9,545,839	\$ 8,399,508	\$ 7,979,034	\$ 7,165,410	\$ 7,318,249
Cost per 100 Cubic Feet	\$ 1.4059	\$ 1.6524	\$ 1.2796	\$ 1.2037	\$ 1.1323	\$ 0.9969	\$ 1.0015
Interest charges	\$ 297,249	\$ 240,761	\$ 305,579	\$ 307,361	\$ 340,199	\$ 326,297	\$ 329,210
Cost per 100 Cubic Feet	\$ 0.0452	\$ 0.0401	\$ 0.0410	\$ 0.0440	\$ 0.0483	\$ 0.0454	\$ 0.0451
Depreciation charge	\$ 1,252,343	\$ 1,157,899	\$ 1,184,485	\$ 1,124,151	\$ 1,063,447	\$ 1,066,639	\$ 1,059,456
Cost per 100 Cubic Feet	\$ 0.1903	\$ 0.1927	\$ 0.1588	\$ 0.1611	\$ 0.1509	\$ 0.1484	\$ 0.1450
Total Cost per 100 Cubic Feet	\$ 1.6414	\$ 1.8851	\$ 1.4793	\$ 1.4089	\$ 1.3314	\$ 1.1906	\$ 1.1916
Operating revenue	\$ 11,944,996	\$ 11,353,762	\$ 12,150,049	\$ 10,916,443	\$ 10,282,800	\$ 9,884,976	\$ 9,732,863
Cost per 100 Cubic Feet	\$ 1.8153	\$ 1.8891	\$ 1.6287	\$ 1.5644	\$ 1.4592	\$ 1.3752	\$ 1.3320
Water meters in service	27,950	28,016	28,087	27,948	27,809	27,696	27,572
Water main miles	425.2	424.4	424.3	408.3	408.22	406.24	403.38
Water meters per mile of main	65.73	66.01	66.20	68.45	68.12	68.18	68.35
Hydrants on system	2506	2,500	2,396	2,373	2,363	2,231	2,196

(*) Depreciation not included

2009
COMPARATIVE TABLES
SHOWING OPERATING EFFICIENCIES AT PUMPING STATIONS

Station	Year	Average Total Dynamic Head	Million Gallon Feet	K.W.H. per Million Gallon Feet	Per Cent Efficiency	K.W.H. Consumed
Lakewood High Lift	2009	289.52	1,795,507	5.07	61.88	9,110,850
	2008	289.52	1,788,008	6.18	50.78	11,047,200
Middle	2009	290.00	415,367	3.36	90.39	1,394,800
	2008	290.00	377,291	4.04	77.69	1,523,600
Woodland	2009	556.00	337,103	5.20	60.33	1,780,200
	2008	556.00	336,422	4.57	68.66	1,537,200
West Duluth Booster Station	2009	60.00	161,609	3.75	83.66	606,528
	2008	60.00	159,476	3.66	85.66	584,064
Orphanage	2009	115.00	19,568	3.68	85.25	72,000
	2008	115.00	16,418	4.72	66.51	77,440
Highland	2009	133.00	62,733	5.55	56.53	348,480
	2008	133.00	61,866	6.02	52.15	372,160
Arlington	2009	276.00	201,591	3.89	80.65	784,960
	2008	276.00	197,756	4.52	69.34	894,720
Lakeside	2009	230.00	15,640	4.87	64.42	76,240
	2008	230.00	14,280	4.83	64.89	69,040
Bay View	2009	252.00	60,562	3.86	81.27	233,600
	2008	252.00	55,923	4.00	78.43	223,680
Proctor	2009	290.00	49,312	5.62	55.82	277,120
	2008	290.00	44,788	4.70	66.73	210,560

WATER PURIFICATION 2009 LAKEWOOD STATION

Month	Total Number of Gallons Treated	Average Water Temperature Degree F	Ammonia Dosage		Chlorine Dosage	
			MG/L	Lbs.	MG/L	Lbs.
January	452,260,000	34.8	0.51	1,911	1.66	6,274
February	419,970,000	33.9	0.50	1,758	1.64	5,743
March	467,560,000	32.5	0.50	1,966	1.67	6,510
April	477,690,000	34.0	0.50	1,998	1.56	6,216
May	535,690,000	37.6	0.45	1,992	1.55	6,917
June	542,590,000	41.7	0.51	2,300	1.68	7,605
July	580,840,000	44.0	0.51	2,480	1.77	8,577
August	561,210,000	48.1	0.51	2,388	1.78	8,316
September	558,900,000	57.8	0.52	2,406	1.87	8,738
October	524,020,000	52.4	0.53	2,307	1.92	8,371
November	518,980,000	47.5	0.51	2,208	1.74	7,514
December	561,960,000	41.2	0.52	2,418	1.68	7,890
TOTAL	6,201,670,000			26,132		88,671
Average/Month	516,805,833	42.1	0.51	2,178	1.71	7,389

2009
LAKE SUPERIOR RAW WATER
AND DULUTH FINISHED WATER (LABORATORY ANALYSES)

Milligrams per Liter, Except pH, Turbidity and Specific Conductance

	RAW	FINISHED
	Average	Average
Dissolved Oxygen	12.29	12.34
pH	7.84	9.03
Monthly Specific Conductance Micromhos/cm	97.8	123
Nitrate Nitrogen		
Chlorides		
Alkalinity	42.8	45.7
Hardness		
Sulfates	3.2	8.3
Phosphates		
Iron		
Fluorides	0.05	1.13
Aluminum		
Sodium		
Dissolved Solids		
Turbidity NTU	0.69	0.014
Chlorine	0	1.15
Temperature	41.9	

WATER TREATMENT 2009

Month	Asbestos Removal	Dental		Treatment Effectiveness
	Alum MG/L	Fluoride MG/L	Dosage Gal	Turbidity NTU
January	5.23	1.05	2,102	0.016
February	3.85	1.15	1,890	0.014
March	4.06	1.22	2,543	0.016
April	5.38	1.2	2,374	0.015
May	6.18	1.12	2,289	0.013
June	13.07	1.17	2,523	0.013
July	14.37	1.09	2,567	0.014
August	13.46	1.11	2,408	0.013
September	15.07	0.97	2,385	0.014
October	19.44	1.09	2,281	0.014
November	16.38	1.17	2,380	0.013
December	16.51	1.17	2,553	0.018
Average/Month	11.08	1.13	2,358	0.014

BACTERIOLOGICAL DATA 2009

Average for	RAW WATER INTAKE				TREATED WATER		DISTRIBUTION	
	Number Samples	Total Bacteria per ml. 48 Hours 35 degree C	Coliform per 100 ml	Fecal Coliform per 100 ml	Number Samples	Number Samples Positive	Number Samples	Number Samples Positive
January	32	2.59	0.25	0.12	131	0	90	0
February	33	1.09	0.09	0.03	131	0	92	0
March	34	9.62	2.32	0.18	158	0	95	0
April	36	6.78	1.16	0.03	193	0	93	0
May	34	1.21	0.29	0.00	202	0	91	0
June	39	0.82	0.44	0.08	228	0	94	0
July	38	1.47	0.58	0.00	214	0	92	0
August	39	4.18	1.59	0.15	233	0	97	0
September	36	12.64	0.57	0.09	220	0	95	0
October	38	6.41	7.66	0.92	216	0	92	0
November	35	6.74	0.60	0.06	199	0	93	0
December	36	1.78	0.39	0.02	202	0	3	0
TOTAL	430				2,327	0	1,027	0
Average for Month	36	4.61	1.33	0.14	194	0	86	0

LENGTH OF WATER MAINS IN FEET 2009

Diameter Inches	Ductile/Cast Iron	Steel	Copper	Polyvinyl Chloride	High Density Polyethylene	Total	Valves	Manholes
1			819			819	5	
2	33		1,857		8,634	10,524	29	
3	869				619	1,488	6	
4	14,413					14,413	61	
6	1,186,157	1,204		1,729	8,671	1,197,761	2647	76
8	177,730	698			99,202	277,630	524	29
10	215,528	7,035			19,318	241,881	416	20
12	205,674	1,809			10,848	218,331	347	51
14					1,052	1,052	0	0
16	105,480	10,397				115,877	126	75
18	1,399				2,106	3,505	2	1
20	16,520	29,265				45,785	31	34
24	10,716	54			5,013	15,783	11	12
30		2,661				2,661	1	3
36	36,660	11,358				48,018		39
42	181	49,211				49,392	7	36
48						0		
TOTALS	1,971,360	113,692	2,676	1,729	155,463	2,244,920	4213	376
Total Miles -						425.2		
Added in 2009						0.80	5	-1

Notes: Pipe and valves in hydrant branches are not included in the above table.
 Air valves, valves without gates and valves inside pump stations are not included.
 All Main and Hydrant information provided from Geographic Information System.

HYDRANTS AND BRANCHES FINAL REPORT 2009

	Mueller	4"	Mathews		Michigan	Unknown	Waterous	Iowa		Stockholm	Total	Valves on	Lineal Feet
	5"		4 1/2"	5"				5"	4"					5"	2"	Hydrants	Branches	Main to Hydt.
TOTAL IN SERVICE 12/31/2008	216	0	542	0	6	345	1,387	0	2	2	2,500	2,147	48,202
REPLACED OUT OR REMOVED 2009	0	0	-23	0	0	0	-15	0	0	0	-38	-38	-180
REPLACED IN OR INSTALLED 2009	0	0	0	0	0	0	44	0	0	0	44	45	653
TOTAL IN SERVICE 12/31/2009	216	0	519	0	6	345	1,416	0	2	2	2,506	2,154	48,675

Number of Hydrants added in 2009 - 6
 Number of Hydrant Valves added in 2009 - 7
 Lineal feet of Hydrant branch main added in 2009 - 473

**2009
DATA, RESERVOIRS AND TANKS**

Location	Capacity Gallons	Overflow Elevation	Greatest Depth	Dimension	Remarks
Lakeside Tank	100,000	500.00 Feet	23.75 Feet	Diameter 27 Feet	Built in 1961
34th Avenue East "Reservoir "A"	16,320,000	294.00 Feet	31.50 Feet	284 Feet x 391 Feet	Built 1898, Rebuilt 1938
Endion Reservoir	14,140,000	290.00 Feet	27.80 Feet	240 Feet x 320 Feet	Built by G & W Company Rebuilt 1922 New Roof 1966 Lined 1988
West End Reservoirs #1-6	10,200,000	290.00 Feet	33.00 Feet	Diameter 100 Feet	Built 1953
West Duluth Reservoir	10,000,000	289.75 Feet	21.00 Feet	327.3 Feet x 263.3 Feet	Built 1906 Remodeled 1925
Middle System - Reservoir #1	5,171,000	560.00 Feet	28.00 Feet	Diameter 187.38 Feet	Built 1913 New Roof 1928 Lined 1988
Middle System - Reservoir #2	5,131,000	560.00 Feet	25.00 Feet	Diameter 190 Feet	Built in 1951
Woodland Reservoir #1	1,021,000	806.00 Feet	22.00 Feet	Diameter 91.5 Feet	Built in 1915 Lined 1939 Refaced 2002
Woodland Reservoir #2	2,015,000	806.00 Feet	35.50 Feet	Diameter 100 Feet	Built in 1950 Lined 2000 Refaced 2002
Arlington Reservoir #1	240,490	806.00 Feet	27.00 Feet	Diameter 40 Feet	Built in 1925
Arlington Reservoir #2	1,534,000	806.00 Feet	27.50 Feet	Diameter 100 Feet	Built in 1950
Orphanage Tank #1	400,000	916.00 Feet	129.40 Feet	Diameter 51.5 Feet	Built 1994
Gary Standpipe					Removed September 1999
Highland Tank #1	100,000	931.00 Feet	22.00 Feet	Diameter 30 Feet	Built 1954
Highland Tank #2	400,000	931.00 Feet	35.00 Feet	Diameter 46 Feet	Built 1972
Bay View Heights Steel Tank	100,000	550.00 Feet	26.00 Feet	Diameter 26 Feet	Built 1972
Proctor Tank	400,000	833.00 Feet	142.00 Feet	Diameter 51.5 Feet	Built 1989
TOTAL	67,272,490				

PUMPING STATIONS - WATER PUMPING EQUIPMENT

Station	Source of Supply	Reservoirs Discharged Into	No. Units and Year Installed	Make of Pump	Type of Pump	Unit No.	Pumps Driven By	R.P.M.	Average Capacity G.P.M. Each Unit	Average Total
Lakewood Low Lift	Lake Superior	Lakewood	1 -- 1992	Patterson	Single Stage Centrifugal	2	1 Unit direct connected to 300 hp, 2300 volt, 60 cycle, GE Induction motor.	900	17400	56
			1 -- 1949	DeLaval		4	1 Unit direct connected to 350 hp, 2300 volt, 60 cycle, GE Induction motor	440	20800	51
			1 -- 1981	Worthington	Single Stage	1	1 Unit direct connected to 200 hp, 2300 volt, 60 cycle, GE Induction motor	500	11389	51
Lakewood High Lift	Lakewood (Detention Basin)	Reservoir A Endion, West End, & West Duluth	1 -- 1992	Patterson	Single Stage Centrifugal	2	2 Unit direct connected to 1500 hp, 2300 volt, 60 cycle GE Induction motor with VFD and fixed controller	1200	17400	280
			1 -- 1949	DeLaval	Two Stage Centrifugal	4	2 Unit direct connected to 2000 hp, 2300 volt, 60 cycle, GE synchronous motor, with direct exciter	720	20800	318
			1 -- 1981	Worthington	Single Stage	1	1 Unit direct connected to 1000 hp, 2300 volt, 60 cycle GE capacitor induction motor	1185	11389	276
Middle	Reservoir A and Endion	Middle Service	1 -- 1950	Allis-Chalmers	Single Stage, Two Unit, Centrifugal	3	Direct connected to 400 hp, 2300 volt, 60 cycle, Allis-Chalmers synchronous motor, with direct connected exciter	1800	4000	317
			1 -- 1969	Aurora	Single Stage, One Unit, Centrifugal	4	Direct connected to 250 hp, 2300 volt, 60 cycle, 3-phase Louis Allis Induction motor	1750	2500	300
			1 -- 1986	Fairbanks-Morse	Single Stage, One Unit, Centrifugal	5	Direct connected to 250 hp, 2300 volt, 60 cycle, 3-phase Siemens-Allis motor	1785	2600	290
Woodland	Reservoir A	Woodland & Arlington Reservoir	1 -- 1950	Allis-Chalmers	All Units Single State, Two Unit, Centrifugal	3	Direct connected to 500 hp, 2300 volt, 60 cycle, Allis-Chalmers synchronous motor, with direct connected exciter	1800	2050	596
			1 -- 1986	Fairbanks Morse Co.		4	Direct connected to 300 hp, 2300 volt, 60 cycle, Siemens-Allis Induction motor	1775	1720	560
			1 -- 1975	Aurora #421	Two Stage, Centrifugal	5	Direct connected to 240 hp, 2300 volt, 60 cycle, 3-phase Marathon Induction motor	1750	1250	555

PUMPING STATIONS - WATER PUMPING EQUIPMENT

West Duluth	Reservoir A, Endion & West	West Duluth Reservoir & West Duluth System	2 -- 1993	Fairbanks-Morse	All Units Single Stage	2	Rewound to 300 hp, 400 volt, 60 cycle, 3-phase Marathon Induction motor, with VFD drive	1200	6000	70
Orphanage	Woodland Reservoirs	Orphanage Tanks	1 -- 1961	Worthington Type L-2	Single Stage Centrifugal	5	Direct connected to 40 hp, 440 volt, 60 cycle, U.S. Induction motor	1750	1000	125
			1 -- 1961		Single Stage Centrifugal	6	Direct connected to 40 hp, 440 volt, 60 cycle, U.S. Induction motor	1750	1000	125
Highland	Arlington Reservoirs	Highland Tanks	1 -- 1955	DeLaval	Single Stage, Single Suction Centrifugal	3	Direct connected to 10 hp, 440 volt, 60 cycle, 3-phase, GE Induction motor	3475	200	136
			1 -- 1955	DeLaval	Single Stage, Single Suction Centrifugal	4	Direct connected to 20 hp, 440 volt, 60 cycle, 3-phase, GE Induction motor	3500	350	136
			1 -- 1959	Fairbanks-Morse	Single Stage, Double Suction Centrifugal	5	Direct connected to 50 hp, 440 volt, 60 cycle, 3-phase Fairbanks-Morse Induction motor	1750	1000	140
			1 -- 1959	Fairbanks-Morse	Single Stage, Double Suction Centrifugal	6	Direct connected to 50 hp, 440 volt, 60 cycle, 3-phase Fairbanks-Morse Induction motor	1750	1000	140
Arlington	Middle Reservoirs	Arlington Reservoirs	2 -- 1958	Fairbanks-Morse Model 5814	Single Stage Centrifugal	1 2	Each unit direct connected to 150 hp, 440 volt, 60 cycle, 3-phase U.S. Induction motor	1800	1600	270
Lakeside	Two 10" Mains	Lakeside Tank	2 -- 1961	Worthington Type L-3	Single Stage Centrifugal	1 2	Each unit direct connected to 100 hp, 440 volt, 60 cycle, 3-phase U.S. Induction motor	1750	1000	240
Bay View	West Duluth Reservoir	Bay View Tank	2 -- 1973 2-- 2002	Aurora	Single Stage Centrifugal	1 2	Each unit direct connected to 125 hp, 440 volt, 60 cycle, 3-phase U.S. Induction motor	3500	1200	320
Proctor	Bay View Tank	Proctor Standpipe	2 -- 1973	Aurora	Single Stage Centrifugal	1 2	Each unit direct connected to 125 hp, 440 volt, 60 cycle, 3-phase Louis Allis motor	3500	1200	320

WATER UTILITY ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
Repair of water services and mains	294
Main breaks	106
Cut off services	38
Install services	37
Steam requests (hydrants/services)	529
Water leak checks	678
Field work for contractors, Engineering	0
Miscellaneous Customer Service requests	385
Fire hydrants:	
Replace and repair hydrants	78
Steaming	see above
Inspection	All fire hydrants in the City are inspected by DFD and Utility Operations as part of a preventative maintenance program.

CUSTOMER SERVICE DIVISION WATER ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
Meter Truck: Gauge water service Applications (water & gas) Credit (water & gas) Emergency (water & gas) General (water & gas)	115 7,413 1,867 927 2,281
Meter Shop: Water meters repaired Water meters tested Plumbing truck orders (water & gas)	327 2,593 576

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Gas Utility
Statement of Net Income
For The Year Ended December 31, 2009 and 2008
(Unaudited)

	2009		2008
<u>Operating Revenue</u>			
Residential Sales	\$ 28,025,618		\$ 33,598,446
Commercial & Industrial - Firm	12,611,342		15,514,549
Commercial & Industrial - Interruptible	4,303,853		8,321,239
Servicing Appliances	632,808		600,928
Other	662,479		409,436
Total Operating Revenue	\$ 46,236,100		\$ 58,444,598
<u>Operating Expense</u>			
Director's Office	77,285		78,565
Capital Related Expenses	1,146,066		1,194,470
Utility General Expense	2,352,544		3,235,450
Engineering	477,523		321,004
Utility Operations	1,849,537		1,816,570
Natural Gas	28,263,236		43,327,950
Customer Service	3,781,135		3,957,014
Total Operating Expense	(37,947,326)		(53,931,023)
Operating Income	8,288,774		4,513,575
<u>Other Revenue</u>			
Contributed Assets	21,764		29,804
Gain or Loss on Sale of Fixed Assets	100,726		6,145
Transfer from Other Funds			
Fleet Services Rebate	0		21,000
Intergovernmental	23,364		23,365
Interest Income	129,893		150,671
Total Other Revenue	275,747		230,985
<u>Other Expenses and Transfers</u>			
Interest Expense	554,975		505,728
Transfers to Other Funds			
Payment to City in Lieu of Taxes	4,091,122		3,314,101
Investing Activities	121,100		133,257
Misc. Transfers	0		0
Non-Capital Improvements	20,093		47,136
Total Other Expenses and Transfers	(4,787,290)		(4,000,222)
Net Income or Loss	\$ 3,777,231		\$ 744,338

Gas Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)

	Assets	
	2009	2008
<u>Current Assets</u>		
Cash	\$ 4,568,394	\$ 0
Restricted Cash and Equivalents:		
Customer Deposit	1,517,133	1,014,744
Construction	0	0
Accounts Receivable (Net)	6,965,373	9,480,457
Interfund Loan Receivable	236,207	0
Due from Other Funds	60,610	50,169
Special Assessments	13,568	22,035
Due from Other Governments	30,984	171
Inventory	875,371	851,973
Prepaid gas	<u>2,331,410</u>	<u>4,962,814</u>
Total Current Assets	\$ <u>16,599,050</u>	\$ <u>16,382,363</u>
<u>Utility Plant</u>		
In Service	59,798,384	55,260,281
Construction	<u>561,584</u>	<u>3,557,672</u>
Less Accumulated Depreciation	<u>(17,833,912)</u>	<u>(16,967,107)</u>
Total Utility Plant Assets	<u>42,526,056</u>	<u>41,850,846</u>
<u>Other Assets</u>		
Special Assessments Receivable	44,200	59,336
Bond Issuance Charges	53,969	16,434
Advance to Other Funds	<u>1,950,000</u>	<u>2,100,000</u>
Total Other Assets	<u>2,048,169</u>	<u>2,175,770</u>
Total Assets	\$ <u><u>61,173,275</u></u>	\$ <u><u>60,408,979</u></u>

Gas Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)

	Liabilities & Net Assets	
	2009	2008
<u>Current Liabilities</u>		
Accounts Payable	\$ 2,999,737	\$ 4,268,157
Contracts Payable	274,590	22,917
Due to Other Governments	93,548	87,539
Due to Other Funds	170,178	113,806
Interfund Loan Payable	0	167,358
Accrued Salaries Payable	160,959	128,967
Accrued Vacations Payable	323,891	0
Deferred Revenue	1,489,269	1,815,430
Customer Deposits	1,206,434	1,001,673
Accrued Interest Payable	176,810	202,772
Bonds Payable	652,000	964,000
Leases Payable	98,001	116,290
	<u>7,645,417</u>	<u>8,888,909</u>
Total Current Liabilities (Payable from Current Assets)	\$ 7,645,417	\$ 8,888,909
<u>Long Term Liabilities</u>		
Accrued Vacations Payable	57,042	334,698
Net Other Post Employment Benefits	276,696	910,469
Bonds Payable	10,093,814	11,124,000
Leases Payable	2,879,294	2,790,160
Less Unamortized Bond Discount	(40,796)	(123,834)
	<u>13,266,050</u>	<u>15,035,493</u>
Total Long Term Liabilities	13,266,050	15,035,493
Total Liabilities	20,911,467	23,924,402
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	28,897,712	26,996,664
Unrestricted	11,364,096	9,487,913
	<u>40,261,808</u>	<u>36,484,577</u>
Total Net Assets	40,261,808	36,484,577
Total Liabilities and Net Assets	\$ 61,173,275	\$ 60,408,979

**City of Duluth
Gas Utility Bonds and Capital Leases Payable
December 31, 2009**

	<u>Issued</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding 12/31/2008</u>	<u>Issued</u>	<u>Draw Down</u>	<u>Retired</u>	<u>Principal Outstanding 12/31/2009</u>
Gas Utility								
Bonds								
Revenue and General Obligation	\$ 5,300,000	12/1/2001	2/1/2017	\$ 3,560,000	\$ 0	\$ 0	\$ 3,560,000	\$ 0
Revenue and General Obligation	2,132,000	9/1/2002	2/1/2018	1,553,000	0	0	129,000	1,424,000
Revenue and General Obligation	1,425,000	12/1/2002	2/1/2018	1,040,000	0	0	85,000	955,000
Revenue and General Obligation	6,090,000	12/1/2003	2/1/2019	4,800,000	0	0	355,000	4,445,000
Revenue and General Obligation	1,190,000	12/19/2006	2/1/2022	1,135,000	0	0	60,000	1,075,000
Revenue and General Obligation Refunding	2,846,814	12/17/2009	2/1/2017	0	2,846,814	0	0	2,846,814
Bond Total				\$ 12,088,000	\$ 2,846,814	\$ 0	\$ 4,189,000	\$ 10,745,814
Capital Leases								
AMR System	\$ 3,156,533	7/12/2007	2/1/2024	\$ 2,906,450	\$ 0	\$ 188,203	\$ 117,358	\$ 2,977,295
Capital Lease Total				\$ 2,906,450	\$ 0	\$ 188,203	\$ 117,358	\$ 2,977,295
Total Gas Utility Bonds and Capital Leases				<u>\$ 14,994,450</u>	<u>\$ 2,846,814</u>	<u>\$ 188,203</u>	<u>\$ 4,306,358</u>	<u>\$ 13,723,109</u>

Future Payments:			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 750,000	\$ 453,659	\$ 1,203,659
2011	1,220,889	448,662	1,669,551
2012	1,268,231	410,291	1,678,522
2013	1,317,884	369,309	1,687,193
2014	1,360,806	324,183	1,684,989
2015	1,409,904	275,153	1,685,057
2016	1,463,307	222,909	1,686,216
2017	1,515,987	167,300	1,683,287
2018	1,135,054	115,468	1,250,522
2019	855,359	74,684	930,043
2020	328,980	50,976	379,956
2021	342,932	38,000	380,932
2022	357,227	24,426	381,653
2023	261,877	12,572	274,449
2024	134,672	2,552	137,224
	<u>\$ 13,723,109</u>	<u>\$ 2,990,144</u>	<u>\$ 16,713,253</u>

Gas Fund
Schedule of Fixed Assets
Year Ending December 31, 2009

	<u>Balance</u> <u>Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Book Value</u>
Lands and Grounds	\$ 420,815	\$ 0	\$ 0	\$ 420,815	\$ 0	\$ 420,815
Infrastructure	48,480,005	621,625	0	49,101,630	14,426,602	34,675,028
Buildings and Structures	2,592,124	0	0	2,592,124	570,430	2,021,694
Equipment and Tools	3,767,337	4,130,812	214,334	7,683,815	2,836,880	4,846,935
Work in Progress	<u>3,557,672</u>	<u>1,645,811</u>	<u>4,641,899</u>	<u>561,584</u>	<u>0</u>	<u>561,584</u>
Total	<u>\$ 58,817,953</u>	<u>\$ 6,398,248</u>	<u>\$ 4,856,233</u>	<u>\$ 60,359,968</u>	<u>\$ 17,833,912</u>	<u>\$ 42,526,056</u>

GAS PLANT STATISTICS

	2009	2008	2007	2006	2005	2004	2003
Gas sold MMBTU	4,804,897	5,169,299	4,544,616	4,285,167	4,777,330	5,066,548	5,289,874
Cost of gas sold	\$ 27,647,451	\$ 42,819,209	\$ 36,093,665	\$ 35,703,140	\$ 41,122,097	\$ 32,396,692	\$ 31,209,000
Cost per MMBTU sold	\$ 5.7540	\$ 8.2834	\$ 7.9421	\$ 8.3318	\$ 8.6078	\$ 6.3942	\$ 5.8998
Other operating costs, including maintenance(*)	\$ 9,243,290	\$ 10,106,846	\$ 9,561,803	\$ 7,952,616	\$ 7,793,937	\$ 8,145,934	\$ 7,792,433
Cost per MMBTU sold	\$ 1.9237	\$ 1.9552	\$ 2.1040	\$ 1.8558	\$ 1.6314	\$ 1.6078	\$ 1.4731
Interest charges	\$ 554,975	\$ 505,728	\$ 540,182	\$ 523,749	\$ 548,648	\$ 558,318	\$ 367,087
Cost per MMBTU sold	\$ 0.1155	\$ 0.0978	\$ 0.1189	\$ 0.1222	\$ 0.1148	\$ 0.1102	\$ 0.0694
Depreciation charge(**)	\$ 1,056,585	\$ 1,088,666	\$ 1,060,245	\$ 999,663	\$ 956,700	\$ 908,136	\$ 864,153
Cost per MMBTU sold	\$ 0.2199	\$ 0.2106	\$ 0.2333	\$ 0.2333	\$ 0.2003	\$ 0.1792	\$ 0.1634
Total cost per MMBTU sold	\$ 8.0131	\$ 10.5470	\$ 10.3982	\$ 10.5432	\$ 10.5543	\$ 8.2915	\$ 7.6056
Operating revenue per MMBTU	\$ 9.6227	\$ 11.3061	\$ 10.4177	\$ 11.5200	\$ 11.5600	\$ 8.8800	\$ 7.9861
Gas meters in service	26,148	25,983	25,726	25,369	25,085	24,970	24,857
Gas main miles	506	510.2	508	495.34	488.26	482.19	478.46
Gas meters per mile of main	51.68	50.93	50.64	51.22	51.38	51.78	51.95

(*) Does not include depreciation for the cost of natural gas

(**) Does not include depreciation due to change in Capital Policy

GAS ANALYSIS 2009

Month	Gas Purchased MMBTU	Storage Gas	MMBTU Transport	Consumption w/o Transport MMBTU	Total Transport BTU's
Beginning Balance		664,455			
January	940,205	-221,246	26,670	913,535	1006
February	679,502	-169,500	20,670	658,832	1003
March	594,197	-127,195	20,645	573,552	1005
April	370,393	-81,364	16,345	354,048	1011
May	238,014	101,782	13,535	224,479	1010
June	169,025	161,832	10,016	159,009	1008
July	129,148	175,036	7,120	122,028	1005
August	139,344	204,208	10,783	128,561	1002
September	132,356	213,805	10,050	122,306	1002
October	378,079	62,408	12,046	366,033	1004
November	387,896	7,274	11,766	376,130	1002
December	826,989	-314,350	20,605	806,384	1001
Storage Balance		677,145			
Totals	4,985,148		180,251	4,804,897	1005

- withdraw, + inject

GAS TRANSPORTATION ANALYSIS 2009

Month	Transport in MMBTU	Customer Bill	US Energy Transport Bill	Total Transport Revenue	Number of Customers
January	26,670	\$ 3,621.72	\$ 2,310.83	\$ 5,932.55	2
February	20,670	\$ 3,460.46	\$ 5,432.35	\$ 8,892.81	2
March	20,645	\$ 3,858.40	\$ 4,824.30	\$ 8,682.70	2
April	16,345	\$ 3,068.41	\$ 8,037.69	\$ 11,106.10	2
May	13,535	\$ 1,381.56	\$ (3,459.13)	\$ (2,077.57)	2
June	10,016	\$ 1,191.12	\$ 1,879.59	\$ 3,070.71	2
July	7,120	\$ 1,007.22	\$ (1,133.14)	\$ (125.92)	2
August	10,783	\$ 3,663.03	\$ 1,235.74	\$ 4,898.77	2
September	10,050	\$ 1,150.88	\$ 2,431.77	\$ 3,582.65	2
October	12,046	\$ 2,091.09	\$ (1,806.92)	\$ 284.17	2
November	11,766	\$ 2,517.05	\$ -	\$ 2,517.05	2
December	20,605	\$ 2,407.70	\$ 10,699.10	\$ 13,106.80	2
TOTALS	180,251	\$ 29,418.64	\$ 30,452.18	\$ 59,870.82	2
AVERAGE PER MMBTU		\$ 0.163	\$ 0.169	\$ 0.332	

LENGTH OF GAS MAINS IN FEET 2009

Diameter - Inches	Polyethylene	Steel	Total	Valves	Manholes
1	30,698		30,698	47	
1 1/4	2,911		2,911	28	
2	1,696,510	31,380	1,727,890	827	
3	337,732	9,730	347,462	223	
4		52,673	52,673	63	3
6	47,730	83,577	131,307	96	18
8	1,507	156,707	158,214	60	28
10		93,799	93,799	24	21
12		12,159	12,159	10	5
14		4,118	4,118		2
16		91,591	91,591	7	
Totals	2,117,088	535,734	2,652,822	1385	77

Total Miles Gas Main	502.4
Added in 2009	-1.8 *
Pressure Regulators	16
Gas Valves added in 2009	30

Note: Valves used only as plugs on end of mains are not included in the above table.

Gas main quantities are derived from Geographic Information System.

* Negative pipe is from adjustments in mapping in Geographic Information System.

GAS UTILITY ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
SERVICES AND MAINS	
Installations	164
Cutoffs	52
Repaired services and mains (not considered hits)	25
Rerouted/replaced	75
Install/extend/loop main	3
Lowered gas services/mains	1
Hits	54

CUSTOMER SERVICE DIVISION GAS ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
Service Workorders Completed:	
Appliance Service	4,401
Furnace Cleaning	3,362
Tin Shop	394
Meter Truck:	
Applications (water & gas)	7,413
Credit (water & gas)	1,867
Emergency (water & gas)	927
General (water & gas)	2,281
Meter Shop:	
Gas Meters Repaired	163
Gas Meters Tested	1,385
Plumbing Truck Orders (water & gas)	576

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Sewer Utility
Statement of Net Income
For The Year Ended December 31, 2009 and 2008
(Unaudited)

	2009	2008
<u>Operating Revenue</u>		
General Sewage Revenue	\$ 17,762,353	\$ 16,547,629
Other	126,556	64,037
Total Operating Revenue	\$ 17,888,909	\$ 16,611,666
<u>Operating Expense</u>		
Director's Office	56,288	82,631
Capital Related Expenses	1,346,065	1,477,855
Utility General Expense	1,385,041	1,673,266
Engineering	329,472	151,780
Utility Operations	1,910,480	2,056,529
Wastewater Treatment	8,673,461	7,906,592
Inflow and Infiltration	1,956,242	2,493,838
Customer Services	603,623	461,777
Total Operating Expense	(16,260,672)	(16,304,268)
Operating Income	1,628,237	307,398
<u>Other Revenue</u>		
Contributed Assets	121,518	232,472
Gain or Loss on Sale of Fixed Assets	2,160	1,900
Transfer from Other Funds		
Fleet Services Rebate	0	9,000
Intergovernmental	8,283	8,283
Interest Income	32,339	151,549
Total Other Revenue	164,300	403,204
<u>Other Expenses and Transfers</u>		
Transfer to Other Funds		
Investing Activities	24,558	94,582
Other Transfers	50,000	65,605
Interest on Long Term Debt	707,671	639,712
Total Other Expenses and Transfers	(782,229)	(799,899)
Net Income or Loss	\$ 1,010,308	\$ (89,297)

**Sewer Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)**

	Assets	
	2009	2008
<u>Current Assets</u>		
Cash	\$ 2,454,188	\$ 2,221,855
Restricted Cash and Equivalents:		
Construction	477,797	3,393
Accounts Receivable (Net)	1,939,808	1,392,704
Interfund Loan Receivable	0	956,793
Due from Other Funds	207,515	35,864
Special Assessments	23,347	17,406
Due from Other Governments	22,350	320
Inventory	37,286	0
Prepays	197,364	0
	<u>\$ 5,359,655</u>	<u>\$ 4,628,335</u>
<u>Utility Plant</u>		
In Service	58,466,098	55,151,592
Construction	996,654	4,085,924
	<u>59,462,752</u>	<u>59,237,516</u>
Less Accumulated Depreciation	(10,571,760)	(9,574,759)
	<u>48,890,992</u>	<u>49,662,757</u>
<u>Other Assets</u>		
Special Assessments Receivable	151,272	132,736
Issuance Costs	163,753	112,701
	<u>315,025</u>	<u>245,437</u>
Total Assets	<u>\$ 54,565,672</u>	<u>\$ 54,536,529</u>

**Sewer Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)**

	Liabilities & Net Assets	
	2009	2008
<u>Current Liabilities</u>		
Accounts Payable	\$ 212,087	\$ 243,390
Contracts Payable	135,666	608,462
Due to Other Governments	705,451	752,589
Due to Other Funds	554,866	1,921,608
Accrued Salaries Payable	76,320	78,366
Vacations Payable	157,515	0
Interest Payable	289,060	262,449
Bonds Payable	1,263,612	1,365,000
Notes Payable	226,495	159,742
Leases Payable	92,061	109,242
Deferred Revenue	251,934	0
Total Current Liabilities (Payable from Current Assets)	\$ 3,965,067	\$ 5,500,848
<u>Long Term Liabilities</u>		
Vacations Payable	7,621	164,208
Net Other Post Employment Benefits	0	97,691
Notes Payable	2,537,381	2,688,196
Bonds Payable	14,541,574	13,748,000
Leases Payable	2,704,792	2,621,060
Less Unamortized Bond Discount	17,100	(65,303)
Total Long Term Liabilities	19,808,468	19,253,852
Total Liabilities	23,773,535	24,754,700
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	28,145,387	29,149,521
Legal Restricted Assets	4,140	3,393
Unrestricted	2,642,610	628,915
Total Net Assets	30,792,137	29,781,829
Total Liabilities and Net Assets	\$ 54,565,672	\$ 54,536,529

City of Duluth
Sewer Utility Bonds, Notes and Capital Leases Payable
December 31, 2009

	<u>Issued</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u> <u>12/31/2008</u>	<u>Issued</u>	<u>Draw Down</u>	<u>Retired</u>	<u>Principal Outstanding</u> <u>12/31/2009</u>
Sewer Utility Bonds								
Revenue and General Obligation	\$ 1,080,000	12/1/1998	2/1/2009	\$ 130,000	\$ 0	\$ 0	\$ 130,000	\$ 0
Revenue and General Obligation	1,330,000	12/1/2001	2/1/2017	890,000	0	0	890,000	0
Revenue and General Obligation	2,003,000	9/1/2002	2/1/2018	1,458,000	0	0	120,000	1,338,000
Revenue and General Obligation	1,825,000	12/1/2002	2/1/2018	1,330,000	0	0	110,000	1,220,000
Revenue and General Obligation Refunding	1,240,000	3/1/2003	2/1/2010	385,000	0	0	190,000	195,000
Revenue and General Obligation	4,045,000	12/1/2004	2/1/2020	3,405,000	0	0	230,000	3,175,000
Revenue and General Obligation	1,011,831	12/19/2005	2/1/2021	912,519	0	0	54,694	857,825
Revenue and General Obligation	2,503,169	12/19/2005	2/1/2021	2,257,481	0	0	135,306	2,122,175
Revenue and General Obligation	765,450	12/19/2006	2/1/2022	729,000	0	0	40,500	688,500
Revenue and General Obligation	179,550	12/19/2006	2/1/2022	171,000	0	0	9,500	161,500
Revenue and General Obligation	2,120,000	12/13/2007	2/1/2023	2,120,000	0	0	100,000	2,020,000
Revenue and General Obligation Refunding	1,325,000	12/13/2007	2/1/2016	1,325,000	0	0	160,000	1,165,000
Revenue and General Obligation	1,244,000	2/19/2009	2/1/2024	0	1,244,000	0	0	1,244,000
Revenue and General Obligation Refunding	713,186	12/17/2009	2/1/2017	0	713,186	0	0	713,186
Revenue and General Obligation	905,000	12/17/2009	2/1/2025	0	905,000	0	0	905,000
Bond Total				\$ 15,113,000	\$ 2,862,186	\$ 0	\$ 2,170,000	\$ 15,805,186
Notes								
Public Facilities Authority	\$ 100,000	8/25/2003	8/20/2018	\$ 72,268	\$ 0	\$ 0	\$ 6,392	\$ 65,876
Public Facilities Authority	1,179,115	10/17/2003	8/20/2018	878,000	0	0	83,000	795,000
Public Facilities Authority (Note 1)	2,042,350	7/12/2007	8/20/2022	1,897,670	0	75,363	70,033	1,903,000
Note Total				\$ 2,847,938	\$ 0	\$ 75,363	\$ 159,425	\$ 2,763,876
Capital Leases								
AMR System	\$ 2,965,228	7/12/2007	2/1/2024	\$ 2,730,302	\$ 0	\$ 176,797	\$ 110,246	\$ 2,796,853
Capital Lease Total				\$ 2,730,302	\$ 0	\$ 176,797	\$ 110,246	\$ 2,796,853
Total Sewer Utility Bonds, Notes, and Capital Leases				\$ 20,691,240	\$ 2,862,186	\$ 252,160	\$ 2,439,671	\$ 21,365,915

Future Payments:			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,582,168	\$ 701,213	\$ 2,283,381
2011	1,633,534	669,089	2,302,623
2012	1,703,088	615,806	2,318,894
2013	1,753,638	558,929	2,312,567
2014	1,826,578	498,712	2,325,290
2015	1,874,545	435,170	2,309,715
2016	1,781,045	371,777	2,152,822
2017	1,787,958	309,346	2,097,304
2018	1,749,609	245,851	1,995,460
2019	1,359,711	187,921	1,547,632
2020	1,419,119	136,282	1,555,401
2021	1,102,973	89,760	1,192,733
2022	813,705	55,903	869,608
2023	599,216	29,206	628,422
2024	304,028	8,947	312,975
2025	75,000	1,500	76,500
	\$ 21,365,915	\$ 4,915,412	\$ 26,281,327

**Sewer Fund
Schedule of Fixed Assets
Year Ending December 31, 2009**

	<u>Balance Jan. 1, 2009</u>	<u>Transfer to Clean Water Fund</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2009</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Lands and Grounds	\$ 681,349	\$ (525,000)	\$ 0	\$ 0	\$ 156,349	\$ 0	\$ 156,349
Infrastructure	45,051,905	0	812,197	0	45,864,102	6,148,942	39,715,160
Buildings and Structures	6,377,453	0	183,072	0	6,560,525	2,058,791	4,501,734
Equipment and Tools	3,040,884	0	2,918,000	73,762	5,885,122	2,364,027	3,521,095
Work in Progress	4,085,923	0	957,317	4,046,586	996,654	0	996,654
Total	<u>\$ 59,237,514</u>	<u>\$ (525,000)</u>	<u>\$ 4,870,586</u>	<u>\$ 4,120,348</u>	<u>\$ 59,462,752</u>	<u>\$ 10,571,760</u>	<u>\$ 48,890,992</u>

PUMPING STATIONS - SEWAGE PUMPING EQUIPMENT 2009

	Station Location	Station Type - Year Updated	Daily Flow Basin No.	Wet Well Capacity	Pump Cap. GPM each unit	Pump Mfg.	Motor HP	Motor Voltage - Phase	Motor F.L.A.	Force Main Size	Force Main Discharge Location	Aux. Power Gen. Set No.
1	215 S. 60th Ave. E.	Triplex Submersible 2006	305280 gal. 1	301397 gal.	1 - 1700 2 - 1700 3 - 1700	KSB	1 - 83 hp 2 - 83 hp 3 - 83 hp	480 3	105	10"	5005 London Rd. SA0880119	Permanent Onsite
2	20 Lakeside Ct.	Simplex Wet well, dry well 1932	2160 gal. 1	927.6 gal.	81	Worthington	3 hp	240 3	8.75	3"	55th Ave. E. Lakeside Ct & London Rd. SA0880117	2766 2770
3	35 S. 45th Ave. E.	Triplex Submersible 1999	397872 gal. 4	N/A	1 - 1200 2 - 1200 3 - 265	KSB	1 - 34 hp 2 - 34 hp 3 - 10 hp	480 3	1 - 47.5 2 - 47.5 3 - 15.1	16"	Lower side of London Rd. on 42nd Ave. E. SD1210001	2765 2767
4	720 S. 23rd Ave. E.	Duplex Submersible	3024 gal. 6	927.52 gal.	1 - 100 2 - 100	KSB	1 - 5 hp 2 - 5 hp	208 3	1 - 15.4 2 - 15.4	4"	23rd Ave. E. & Water St. SW0430011	2766 2770
5	715 S. 22nd Ave. E.	Simplex Submersible 1970	720 gal. 6	97.3 gal.	1 - 67.42	Flygt	1.9 hp	240 1	9	3"	22nd Ave. E. & Water St. SW0430012	2770 (1) 2766 (2)
6	200 Lake Place Dr.	Wet well Dry well Pump 1 - 1970s Pumps 2&3 - 1980s	1106064 gal. 16	9313.8 gal.	1 - 2400 2 - 1800 3 - 1800	Chicago	40 hp	240 3	1 - 98 2 - 98 3 - 98	24"	1st Ave. E. & 1st St. CH0460269	2765 (1) 1
7	528 Lake Ave. S.	Duplex Submersible 2006	78048 gal. 16	N/A	1 - 400 2 - 400	KSB (+ mixer)	6.5 hp 6.5 hp 5.4 hp	208 3	23 23 18.2	6"	Northeast side of station SA1090003	2765 2767
8	729 Lake Ave. S.	Wet well Dry well 1983 & 1987 new pumps & motors	228960 gal. 15	8863.8 gal.	1 - 808 2 - 808	Fairbank Morse	30 hp	480 3	37.7	8"	Northeast side of station #7 SA109003	2765 2767
9	1202 Minnesota Ave.	Wet well Dry well New motors 1985	165888 gal. 15	3941 gal.	1 - 702 2 - 702	Fairbank Morse	1- 10 hp	240 3	27.2	10"	11th St. & Lake Ave. SA1090015	2766 (1) 2770 (2) one pump only
10	1939 Minnesota Ave.	Duplex Submersible 1996	N/A 15	N/A	1 - 207.7 2 - 247.1	KSB	1 - 2.4 hp 2 - 2.4 hp	208 3	8.7	4'	20th St. & Minnesota Ave. SA0009	2770 (1) 2766 (2)

PUMPING STATIONS - SEWAGE PUMPING EQUIPMENT 2009

	Station Location	Station Type - Year Updated	Daily Flow Basin No.	Wet Well Capacity	Pump Cap. GPM each unit	Pump Mfg.	Motor HP	Motor Voltage - Phase	Motor F.L.A.	Force Main Size	Force Main Discharge Location	Aux. Power Gen. Set No.
11	2845 Minnesota Ave.	Duplex Submersible 1996	N/A 15	N/A	1 - 164.4 2 - 161.4	KSB	1 - 2.4 hp 2 - 2.4 hp	208 3	39301	4"	29th St. & Minnesota Ave. SA1110002	2770 (1) 2766 (2)
12	3539 Minnesota Ave.	Duplex Submersible 1996	80640 gal. 15		1 - 170 2 - 170 (approx.)	KSB	1 - 1.75 hp 2 - 1.75 hp	208 3	1 - 6.9 2 - 6.9	4"	36th St. & Minnesota Ave. SA1110013	2770 (1) 2766 (2)
13	432 Railroad St.	Duplex Submersible 1995	N/A 16	N/A	1 - 650 2 - 650 1&2 - 710	KSB	1 - 12.8 hp 2 - 12.8 hp	480 3	1 - 19 19-Feb	12"	11th Ave. W. & Railroad St. SW0400031	2765 2767
14	735 Garfield Ave.	Wet well Dry well ~1940	50,976 gal. 18	2,476 gal.	1 - 163 2 - 276	Worthington	1 - 3 hp 2 - 7.5 hp	240 3	1 - 9.5 2 - 18.5	8"	Michigan St. SA0310022	2766 2770
15	2132 Michigan St.	Triplex Wet well Dry well ~1975	248,688 gal. 18	N/A	1 - 2400 2 - 2400 3 - 2400	Chicago	1 - 40 hp 2 - 40 hp 3 - 40 hp	480 3	54	10"	23rd Ave. W. below Michigan St. SW0310030	2765
16	210 S. 37th Ave. W.	Wet well Dry well 1993-95 new pumps & motors	572,544 gal. 23	4,630 gal.	912 avg. both pumps	Yeomans	1 - 15 hp	240 3	1 - 40	10"	37th Ave. W. above Oneota St. SW0300016	2765 2767
17	4100 Oneota St.	Duplex Submersible ~1975 2001	243,072 gal. 23	N/A	1 - 1000 2 - 1000	KSB	1 - 10 hp 2 - 10 hp	240 3	1 - 32.5 2 - 32.5	8"	Oneota SW0290038	2767 2765
18	700 S. 63rd Ave. W.	Duplex Submersible 1996	N/A 26	N/A	1 - 58.56 2 - 54.92	KSB	1 - 1.75 hp 2 - 1.75 hp	208 3	1 - 6.9 2 - 6.9	6"	63rd Ave. W. SA0180041	2770
19	107 Spring St. South	Duplex Submersible 1984	2880 gal. 28	409 gal.	1 - 73.7 2 - 79.2	Meyers	1 - 2 hp 2 - 2 hp	240	1 - 3.2 2 - 3.2	4"	Below RR tracks SW1230034	2770 2766
20	1325 Hilton St. New	Duplex Submersible 2004			1 - 169 2 - 160	KSB	1 - 5 hp 2 - 5 hp	208 30	1 - 17.7		Hilton SA0090036	

PUMPING STATIONS - SEWAGE PUMPING EQUIPMENT 2009

	Station Location	Station Type - Year Updated	Daily Flow Basin No.	Wet Well Capacity	Pump Cap. GPM each unit	Pump Mfg.	Motor HP	Motor Voltage - Phase	Motor F.L.A.	Force Main Size	Force Main Discharge Location	Aux. Power Gen. Set No.
21	11 Commonwealth Ave.	Duplex Wet well Dry well 2007	3,600 gal. 30	480 gal.	1 - 125 2 - 96.0	Chicago	2 - 5 hp 3 - 5 hp	240 3	2 - 13.4 3/13/2004	4"	Commonwealth & Prescott St. SA0030035	2770 2765
22	629 Walnut St.	Duplex Submersible 2002	43,344 gal. 33		1 - 180 2 - 135.3 1-2:337.6	KSB	1 - 5 hp 2 - hp	240 3	1 - 29.2 2 - 10.1	4"	Walnut St. & Eklund Ave. SA0730023	2770 2766
23	346 E. Owatonna St.	Duplex steel shell Submersible ~1975	3,168 gal. 11	295.5 gal.	1 - 120.6 2 - 131.3	Flygt	1 - 3.8 hp 2 - 3.8 hp	240 1	14	4"	SA0960002	2766 2770
24	No longer operational											
25	4634 Woodland Ave.	Duplex Submersible 2001	8352 gal. 11		1 - 2 -	KSB	1 - 15 hp 2 - 15 hp	240 3	1 - 52 2 - 52		Woodland Ave. near Vassar St. SA1000001	
26	1015 Jean Duluth Rd.	Duplex Submersible 1999	49,680 gal. 5		1 - 175 2 - 175	KSB	1 - 16.5 2 - 16.5	240 3	1 - 52 2 - 52	4"	Woodbury Lane SA0860115	2767 2765
27	835 E. Superior St.	Duplex Submersible 1984	4320 gal. 13	145.9 gal.	1 - 46.8 2 - 49.4	Myers	1 - 2 hp 2 - 2 hp	240 3	1 - 7.5 2 - 7.5	3"	Superior St. SA0420086	2766 2770
28	4937 Airport Rd.	Duplex Submersible 1998	17,136 gal. 22	N/A	1 - 150 2 - 150 rated from factory	KSB	1 - 3.4 hp 2 - 3.4 hp	240 3	1 - 10.2 2 - 10.2	4"	Washington St. SA1170006	2770 2766
29	15 N. 7th Ave. E.	Duplex Submersible 1984	5184 gal. 13	456.3 gal.	1 - 159 2 - 159 (approx.)	Flygt	1 - 3 hp 2 - 3 hp	240 3	1 - 9 2 - 9	4"	1st St. Alley east of station SA0470148	2770
30	2939 Morris Thomas	Duplex Submersible 1989	14,112 gal. 20	377.8 gal.	1 - 120.6 2 - 124.6	Flygt CP3102	1 - 5 hp 2 - 5 hp	240 3	1 - 13 2 - 13	6"	Morris Thomas W. of Keel	2766 2770

PUMPING STATIONS - SEWAGE PUMPING EQUIPMENT 2009

	Station Location	Station Type - Year Updated	Daily Flow Basin No.	Wet Well Capacity	Pump Cap. GPM each unit	Pump Mfg.	Motor HP	Motor Voltage - Phase	Motor F.L.A.	Force Main Size	Force Main Discharge Location	Aux. Power Gen. Set No.
31	3822 Haines Rd.	Duplex Submersible 1989	13,104 gal. 21	658.3 gal.	1 - 200.5 2 - 154.3	Flygt CP3102	1 - 5 hp 2 - 5 hp	240 3	1 - 13 2 - 13	6"	Hutchinson Rd. near Piedmont	2766 2770
32	3862 Haines Rd.	Duplex Submersible 1989	5,472 gal. 21	613.4 gal.	1 - 138.9 2 - 155.3	Flygt CP3102	1 - 5 hp 2 - 5 hp	240 3	1 - 13 2 - 13	4"	Haines Rd. south of Piedmont SA0600093	2766 2770
33	11503 Hwy #23	Duplex Submersible 1995	NA	420 gal.	1 - 140 2 - 140 (estimated)	KSB	1 - 3 hp 2 - 3 hp	208	1 - 9.8 2 - 9.8	4"	Peary St. in woods before access rd. SA0030061	2766 2770
34	2706 Parkwood Lane	Duplex Submersible 1993	NA 20	433.9 gal.	1 - 166 2 - 166	Flygt CP3127	1 - 10 hp 2 - 10 hp	480 3	1 - 13 1 - 13	4"	Hanford Ave. N. of Station SA0560093	2767 2765
36	412 Hastings Dr.	Duplex Submersible 1992	1,152 gal. 11	980 gal.	1 - 195.4 2 - 196.7	Flygt CP3127X	1 - 10 hp 2 - 10 hp	240 3	1 - 26 2 - 26	Twin 4"	Ewing & Marshall St. SA0900005	2767 2765
37	1031 London Rd.	Duplex Submersible 1984	3,888 gal. 13	441.4 gal.	1 - 186.5 2 - 191.9	Flygt CP3085	1 - 3 hp 2 - 3 hp	208 3	1 - 10 2 - 10	4"	E. Superior St. SA0420080	2766 2770
38	4600 Minnesota Ave Park Point	Duplex Submersible	288 gal. 16	1241.8 gal	1 - 175.7 2 - 46	Flygt CP3085 Meyers	1 - 2.3 hp 2 - 0.5 hp	240 1	1 - 10.2 2 - 4.3	6"	Park Point Rec Area MH SA1120015	2766 2770
39	7301 Grand Ave.	Duplex Submersible 1988	20,880 gal. 23	643.2 gal	1 - 306.3 2 - 313.8	Flygt	1 - 5 hp 2 - 5 hp	240 3	1 - 13 2 - 13	6"	Grand Ave.	2766 2770
40	1200 Port Terminal Dr.	Steel shell dry well with 6' concrete wet well	36, 864 gal. 18	534.9 gal.	1 - 286.6 2 - 281.5	Fairbanks Morse	1 - 7.5 hp 2 - 7.5 hp	240 3	1 - 22.6 2 - 22.6	8"	Near Sta #14 SA0320008	None

PUMPING STATIONS - SEWAGE PUMPING EQUIPMENT 2009

	Station Location	Station Type - Year Updated	Daily Flow Basin No.	Wet Well Capacity	Pump Cap. GPM each unit	Pump Mfg.	Motor HP	Motor Voltage - Phase	Motor F.L.A.	Force Main Size	Force Main Discharge Location	Aux. Power Gen. Set No.
41	1037 Joshua Ave.	Duplex Submersible	8928 gal. 22		1 - 400 2 - 400	KSB	1 - 15 hp 2 - 15 hp	240 3	1 - 43.5 2 - 43.5	6"	Joshua Ave. & Maple Grove SA0680029	2767 2765
42	4551 Stebner Rd.	Duplex Submersible 1996	NA 22	NA	NA	KSB	1 - 5 hp 2 - 5 hp	480 3	1 - 7.8 2 - 7.8	4" 6"	Airport Approach & Airport Rd. SD1180032	2767 2765
43	11600 Perch Lake Dr.	Duplex Submersible 2000			1 - 100 2 - 100 3 - 150	KSB	1 - 15 hp 2 - 15 hp	240 3	1 - 43.5 2 - 43.5		SA1280001	2767 2765
44	12800 W. 5th St.	Duplex Submersible 2000			1 - 180 2 - 180 3 - 200	KSB	1 - 10 hp 2 - 10 hp	208 3	29 29	6"	Lift Station #43	2767 2765
45	52nd Ave. E. & Dodge St.	Triplex Submersible 2005		2 MG	1 - 1100 2 - 1100 3 - 1100	KSB	1 - 32 hp 2 - 32 hp 3 - 32 hp	480 3	39	12"	47th Ave. E. & Superior St. SW0830136	Permanent on site
46	Grinder Pump #1 (behind) 1467 88th Ave. W.	Duplex Submersible Grinder ~2005				Barnes	1 - 2 hp 2 - 2 hp	208 3	9.2 9.2	1.25"		
47	Grinder Pump #2 9239 Idaho St.	(in Bethany Crisis Shelter) ~2005				Barnes						
48	Grinder Pump #3 2501 Commonwealth Ave.	(9) 723-3870 ~2005				Barnes						
49	Beacon PT 21st Ave. E. & Water St.	Private 724-4053										
50	505 S. 18th Ave. E. & Lakewalk (Endion St.)	StorageBasin 2007		1 MG	No Pumps	Gravity In Gravity Out						

LENGTH OF SANITARY SEWER PIPE IN FEET 2009

PIPE MATERIAL

Dia. Inches	Force Main	ABS	ACP	BRA	CBR	CI/DI	CMP	HDPE	PVC	CIPP	RCP	STL	VCP	Totals
2								1,665	665					2,330
3														0
4														0
6		45							1,277	55			13,021	14,398
8		7,066	7,165			12,601		855	429,436	22,959	320		1,044,017	1,524,419
9										430			27,654	28,084
10			14,854			3,944		155	33,785	807	3,389		77,977	134,911
12			2,184			1,317		532	17,273	2,683	48,905		57,144	130,038
14						165								165
15									8,688	561	36,446		35,281	80,976
16						413								413
18				1,303		80	1,062		732	412	19,241		19,170	42,000
20				115		24					467		3,725	4,331
21				440		105			1,091		6,117		643	8,396
22				2,595									1,213	3,808
24				1,012		711			693		12,733		4,117	19,266
26				606							416			1,022
27				463							1,029		536	2,028
28				1,375										1,375
30				491		146					3,421			4,058
32				1,421							863			2,284
34				503							56			559
36				1,437		610					2,159			4,206
42						462								462
45				12		460								472
48				190		156					785			1,131
54						60								60
55														0
Total -	0	7,111	24,203	11,963	1,138	20,116	1,062	3,207	493,640	27,907	136,347	0	1,284,498	2,011,192

Notes: The City of Duluth Sanitary Sewer system includes 8,547 Manholes.

ABS - Asbestos
 ACP
 BRA - Brick Arch
 CBR - Circular Brick Pipe

CI/DI - Cast or Ductile Iron
 CMP - Corrugated metal
 PE - Polyethelene
 PVC - Polyvinal Chloride

RCA - Reinforced Concrete Arch
 RCP - Reinforced Concrete
 STL - Steel
 VCP - Vitrified Clay Pipe

Miles - 380.9

Note: Pipe quantities are derived from Geographic Information System.

SANITARY SEWER ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
Cleaning sanitary sewer pipe	751,982 ft
Televising sanitary sewer pipe	268,008 ft
Manhole replacements	116
Sanitary sewer pipeline repairs and replacements	46 spot repairs 5,500 lined and 1,027 replaced
Service calls from public: Determined to be private line problems	225
Determined to be City line problems	14
I & I inspections (Inflow and Infiltration Grant Program)	
Homes inspected	1,703
Sump pumps installed	708
Public informational meetings	2
Contractor meetings	2
House traps removed	448
Laterals lined	230
Inspections for connections and disconnections	Water Quality Specialists performed 213 connect and disconnect inspections.
Dye testing	Performed line inspections and identified wyes and cross connection and illicit connections using dye for both City and private contractors. Done on an as needed basis.
Field sampling	Continued BOD & TSS sampling to develop Fats, Oils, & Grease (FOG) Program for Food Service Facilities (FSFs).
Flow monitoring	As part of the Consent Decree, continued aggressive flow monitoring activities in targeted basins in support of ongoing modeling work designed to support and refine I/I efforts.
Lift station improvements	2 - Lift Stations #29 & 38
Other events the Utility participated in	Arrowhead Home & Builders Show

- The City signed the Consent Decree effectively ending the lawsuit brought against the City and WLSSD by the US EPA and the US DOJ. Consent Decree approved by the US Federal Judge in October.
- The City Council passed a new plumbing ordinance dealing with the requirements for FSFs participation in a FOG program.
- Utility Operations achieved the goal of disconnecting 630 footing drains and 175 lateral lines.
- Utility Operations received EPA approval for Lakeside Interceptor Storage Tank and for the Canal Park Lift Station and Storage Tank construction.
- Several Staff members presented topical papers at industry conferences.
- Utility Operations completed and had approved by the EPA the I/I Evaluation and Remedial Measures Plans.
- Utility Operations presented and the City Council passed the Point of Sale ordinance requiring an inspection of I/I compliance before a home can be sold.
- Utility Operations presented and the City Council passed and amended the Clean Water Surcharge ordinance to increase the fee to fund the Private Property Lateral Grant Program.

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**Clean Water Utility
Statement of Net Income
For The Year Ended December 31, 2009 and 2008
(Unaudited)**

	2009		2008
<u>Operating Revenue</u>			
Charges for Services	\$ <u>2,423,186</u>		\$ <u>604,752</u>
Total Operating Revenue	\$ <u>2,423,186</u>		\$ <u>604,752</u>
<u>Operating Expense</u>			
Clean Water Expense	<u>710,304</u>		<u>1,897</u>
Total Operating Expense	<u>(710,304)</u>		<u>(1,897)</u>
Operating Income	<u>1,712,882</u>		<u>602,855</u>
<u>Other Revenue</u>			
Contributed Assets	3,315,007		0
Interest Income	<u>205</u>		<u>192</u>
Total Other Revenue	<u>3,315,212</u>		<u>192</u>
<u>Other Expenses and Transfers</u>			
Interest on Long Term Debt	<u>897</u>		<u>0</u>
Total Other Expenses and Transfers	<u>(897)</u>		<u>0</u>
Net Income or Loss	\$ <u><u>5,027,197</u></u>		\$ <u><u>603,047</u></u>

**Clean Water Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)**

Assets

	2009	2008
<u>Current Assets</u>		
Cash	\$ 988,767	\$ 600,048
Restricted Cash and Equivalents:		
Construction	0	0
Accounts Receivable (Net)	358,468	0
Due from Other Governments	2,042,646	0
Total Current Assets	\$ 3,389,881	\$ 600,048
<u>Utility Plant</u>		
In Service	525,000	0
Construction	4,785,538	2,999
Less Accumulated Depreciation	0	0
Total Utility Plant Assets	5,310,538	2,999
<u>Other Assets</u>		
Issuance Costs	13,724	0
Total Other Assets	13,724	0
Total Assets	\$ 8,714,143	\$ 603,047

Clean Water Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)

	Liabilities & Net Assets	
	2009	2008
<u>Current Liabilities</u>		
Accounts Payable	\$ 108,783	\$ 0
Contracts Payable	1,947,610	0
Due to Other Governments	10,600	0
Interest Payable	897	0
Notes Payable	56,985	0
Bonds Payable	10,388	0
Deferred Revenue	16,156	0
Total Current Liabilities (Payable from Current Assets)	\$ 2,151,419	\$ 0
<u>Long Term Liabilities</u>		
Bonds Payable	189,612	
Notes Payable	742,868	0
Total Long Term Liabilities	932,480	0
Total Liabilities	3,083,899	0
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	4,324,409	2,999
Unrestricted	1,305,835	600,048
Total Net Assets	5,630,244	603,047
Total Liabilities and Net Assets	\$ 8,714,143	\$ 603,047

**City of Duluth
Clean Water Utility Bonds and Notes Payable
December 31, 2009**

	<u>Issued</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding 12/31/2008</u>	<u>Issued</u>	<u>Draw Down</u>	<u>Retired</u>	<u>Principal Outstanding 12/31/2009</u>
Clean Water Utility								
Bonds								
Revenue and General Obligation	\$ 200,000	2/19/2009	2/1/2024	\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Bond Total				\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Notes								
Public Facilities Authority	\$ 2,414,150	12/10/2009	8/20/2024	\$ 0	\$ 0	\$ 702,238	\$ 0	\$ 702,238
Public Facilities Authority	796,835	6/17/2009	8/20/2024	0	0	97,614	0	97,614
Note Total				\$ 0	\$ 0	\$ 799,852	\$ 0	\$ 799,852
Total Clean Water Utility Bonds and Notes				\$ 0	\$ 200,000	\$ 799,852	\$ 0	\$ 999,852

Future Payments:			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 67,373	\$ 23,761	\$ 91,134
2011	207,942	68,076	276,018
2012	212,634	65,087	277,721
2013	216,496	60,768	277,264
2014	222,188	56,330	278,518
2015	226,189	51,753	277,942
2016	230,880	47,085	277,965
2017	235,435	42,320	277,755
2018	240,435	37,447	277,882
2019	244,989	32,433	277,422
2020	250,682	27,298	277,980
2021	255,235	22,042	277,277
2022	261,236	16,677	277,913
2023	266,789	11,142	277,931
2024	272,482	5,463	277,945
	\$ 3,410,985	\$ 567,682	\$ 3,978,667

**Clean Water Fund
Schedule of Fixed Assets
Year Ending December 31, 2009**

	<u>Balance Jan. 1, 2009</u>	<u>Transfer from Sewer Fund</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2009</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Lands and Grounds	\$ 0	\$ 525,000	\$ 0	\$ 0	\$ 525,000	\$ 0	\$ 525,000
Infrastructure	0	0	0	0	0	0	0
Buildings and Structures	0	0	0	0	0	0	0
Equipment and Tools	0	0	0	0	0	0	0
Work in Progress	<u>2,999</u>	<u>0</u>	<u>4,782,539</u>	<u>0</u>	<u>4,785,538</u>	<u>0</u>	<u>4,785,538</u>
Total	<u><u>\$ 2,999</u></u>	<u><u>\$ 525,000</u></u>	<u><u>\$ 4,782,539</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,310,538</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,310,538</u></u>

STORMWATER

**Stormwater Utility
Statement of Net Income
For The Year Ended December 31, 2009 and 2008
(Unaudited)**

	2009	2008
<u>Operating Revenue</u>		
Stormwater Charges	\$ 5,120,945	\$ 4,503,162
Other	28,329	11,593
Total Operating Revenue	\$ 5,149,274	\$ 4,514,755
<u>Operating Expense</u>		
Director's Office	56,139	56,034
Capital Related Expenses	566,558	587,558
Utility General Expense	553,605	545,231
Engineering	230,794	179,658
Utility Operations	1,583,301	1,348,933
Customer Service	238,002	164,442
Total Operating Expense	(3,228,399)	(2,881,856)
Operating Income	1,920,875	1,632,899
<u>Other Revenue</u>		
Grants Non-Capital	73,643	48,743
Capital Contributions	25,309	0
Gain or Loss on Sale of Fixed Assets	960	160
Transfer from Other Funds		
Fleet Services Rebate	0	9,000
Interest Income	37,743	62,128
Total Other Revenue	137,655	120,031
<u>Other Expenses and Transfers</u>		
Bond Interest	100,928	107,034
Transfers to Other Funds		
Investing Activities	36,040	54,475
Other Transfers	502,758	482,533
Total Other Expenses and Transfers	(639,726)	(644,042)
Net Income or Loss	\$ 1,418,804	\$ 1,108,888

**Stormwater Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)**

	Assets	
	2009	2008
<u>Current Assets</u>		
Cash	\$ 2,528,833	\$ 2,085,547
Restricted Cash - Construction	0	0
Accounts Receivable	510,906	0
Interfund Loan Receivable	0	613,300
Due from Other Funds	22,015	19,108
Special Assessments	17,807	13,475
Due from Other Governments	23,098	167,983
Inventory	37,286	0
Prepays	83,466	61,701
Total Current Assets	\$ 3,223,411	\$ 2,961,114
<u>Utility Plant</u>		
In Service	13,201,539	12,094,884
Construction	433,426	928,516
Less Accumulated Depreciation	(2,088,703)	(1,736,883)
Total Utility Plant Assets	11,546,262	11,286,517
<u>Other Assets</u>		
Bond Issuance Charges	24,433	30,834
Total Other Assets	24,433	30,834
Total Assets	\$ 14,794,106	\$ 14,278,465

Stormwater Utility
Statement of Net Assets
For The Year Ending December 31, 2009 and 2008
(Unaudited)

	Liabilities & Net Assets	
	2009	2008
<u>Current Liabilities</u>		
Accounts Payable	\$ 36,856	\$ 34,466
Contracts Payable	54,909	56,886
Due to Other Governments	11,493	16,141
Due to Other Funds	94,638	964,314
Accrued Salaries Payable	51,866	35,162
Vacations Payable	109,667	0
Deferred Revenue	258,621	158,319
Accrued Interest Payable	41,340	43,886
Bonds Payable	179,000	170,000
Total Current Liabilities (Payable from Current Assets)	\$ 838,390	\$ 1,479,174
<u>Long Term Liabilities</u>		
Vacations Payable	8,028	91,712
Net Other Post Employment Benefits	0	0
Bonds Payable	2,308,000	2,487,000
Less Unamortized Bond Discount	(3,551)	(3,856)
Total Long Term Liabilities	2,312,477	2,574,856
Total Liabilities	3,150,867	4,054,030
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	9,087,246	8,664,207
Unrestricted	2,555,993	1,560,228
Total Net Assets	11,643,239	10,224,435
Total Liabilities and Net Assets	\$ 14,794,106	\$ 14,278,465

**City of Duluth
Stormwater Utility Bonds Payable
December 31, 2009**

	<u>Issued</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding 12/31/2008</u>	<u>Issued</u>	<u>Retired</u>	<u>Principal Outstanding 12/31/2009</u>
Stormwater Utility Bonds							
Revenue and General Obligation	\$ 1,425,000	9/1/2002	2/1/2018	\$ 1,037,000	\$ 0	\$ 85,000	\$ 952,000
Revenue and General Obligation	1,705,000	9/7/2006	2/1/2022	<u>1,620,000</u>	<u>0</u>	<u>85,000</u>	<u>1,535,000</u>
Bond Total				<u>\$ 2,657,000</u>	<u>\$ 0</u>	<u>\$ 170,000</u>	<u>\$ 2,487,000</u>
Total Stormwater Utility Bonds				<u>\$ 2,657,000</u>	<u>\$ 0</u>	<u>\$ 170,000</u>	<u>\$ 2,487,000</u>

Future Payments:			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 179,000	\$ 96,729	\$ 275,729
2011	187,000	89,817	276,817
2012	196,000	82,484	278,484
2013	200,000	74,708	274,708
2014	210,000	66,443	276,443
2015	219,000	57,660	276,660
2016	230,000	48,401	278,401
2017	240,000	38,632	278,632
2018	251,000	28,304	279,304
2019	135,000	20,300	155,300
2020	140,000	14,800	154,800
2021	145,000	9,100	154,100
2022	155,000	3,100	158,100
	<u>\$ 2,487,000</u>	<u>\$ 630,478</u>	<u>\$ 3,117,478</u>

**Stormwater Fund
Schedule of Fixed Assets
Year Ending December 31, 2009**

	<u>Balance Jan. 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2009</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Lands and Grounds	\$ 8,481	\$ 0	\$ 0	\$ 8,481	\$ 0	\$ 8,481
Infrastructure	8,555,385	933,592	0	9,488,977	549,059	8,939,918
Buildings and Structures	1,401,897	0	0	1,401,897	154,209	1,247,688
Equipment and Tools	2,129,122	186,854	13,792	2,302,184	1,385,435	916,749
Work in Progress	<u>928,515</u>	<u>534,958</u>	<u>1,030,047</u>	<u>433,426</u>	<u>0</u>	<u>433,426</u>
Total	<u>\$ 13,023,400</u>	<u>\$ 1,655,404</u>	<u>\$ 1,043,839</u>	<u>\$ 13,634,965</u>	<u>\$ 2,088,703</u>	<u>\$ 11,546,262</u>

LENGTH OF STORM SEWERS IN FEET 2009

Dia. Inch.	BR	CMP	CPD	CI/DI	HDPE	NCP	PPC	PVC	RCP	STN	STL	TP	VCP	UNK	Totals
3									68			979			1,047
4			32,524					395,874	1,446		13	44,879		142,902	617,638
6		2,925	3,176	155	440			11,815	62			281		4,649	23,503
7										39					39
8		289		140	43	401		6,447	53			137	458	4,308	12,276
10		2,408		293	49			1,882	11,979				1,884	31,003	49,498
12		8,397	3,981	1,982	23,079	898		12,926	442,674	50	43		894	91,332	586,256
13									31						31
14				38					239					341	618
15		3,069	124	44	2,251	171	55	1,359	186,835				427	48,983	243,318
16				792					256					755	1,803
17														91	91
18		4,349			463			943	112,544		65		635	38,301	157,300
20				107					1,253		291			4,409	6,060
21		952		63				12	38,528				575	8,321	48,451
22									1,024					1,471	2,495
23														1,040	1,040
24	329	2,689	1,105	158	407			110	68,089	83			644	27,730	101,344
26	1,743							41	4,077					13,488	19,349
27									16,147					1,844	17,991
28	651								4,341					2,872	7,864
29									795					432	1,227
30		904			1,215				39,643					12,472	54,234
31									406						406
32	368								1,976	62				1,815	4,221
33									694						694
34														397	397
36	260	804							34,186	171				15,866	51,287
40									1,306	599				353	2,258
42				253				94	15,389					2,491	18,227
44		225							3,507					988	4,720
45									540					444	984
46														79	79
48	365	198							15,946	545				11,676	28,730
50	241								300					42	583

LENGTH OF STORM SEWERS IN FEET 2009

Dia. Inch.	BR	CMP	CPD	CI/DI	HDPE	NCP	PPC	PVC	RCP	STN	STL	TP	VCP	UNK	Totals
51									1,086						1,086
52									404						404
54									13,072					5,174	18,246
56														77	77
58									637					802	1,439
60		252					39		3,199					6,983	10,473
62									635					61	696
65									76					377	453
66	30								245					301	576
72		155							2,656	27				3,965	6,803
73														93	93
78		40							187					279	506
84	224	153							1,967					1,471	3,815
88									406						406
96								324	515	65				434	1,338
108									39					269	308
120									1,002					1,500	2,502
122									54						54
128									52	777				549	1,378
132									173					666	839
144									119						119
156									142						142
192									49						49
UNK	700	290	832		73			9,643	2,728	960				144,090	159,316
	4,911	28,099	41,742	4,025	28,020	1,470	94	441,470	1,033,777	3,378	412	46,276	5,517	637,986	2,277,177

Note: The Storm Sewer system also includes 11,699 catch basins and 5,669 manholes.
Pipe quantities are derived from Geographic Information System.

STORMWATER UTILITY ACTIVITIES 2009

ACTIVITY	WORK COMPLETED
Cleaning storm sewer pipe	23,358
Cleaning creeks	Removed garbage/trash from streams
Televising storm sewer pipe	24,561 feet
Manhole/catch basin repairs	127
Storm sewer pipeline repairs Replacement footage	17 sections
Ditch line (dug or repaired and seeded or sodded)	2,050 feet
Culverts repaired Replacement footage	30 1,033 feet
Steaming: Steamed culverts and ditches blocked with ice	8,304 feet
Sediment trap cleaning	Inspected all 17 and removed 380 cubic yards of material from sediment traps
Presentations: Public Staff City council and city commissions and committees School presentations, school group, childrens' groups Numerous radio, television and newspaper articles Regional conferences National conferences	7 5 3 15

- In addition to the above activities, the Stormwater Utility continued to support the activities of the award-winning duluthstreams.org website.
- The Utility chaired the Regional Stormwater Protection Team. Staff also participated in the Arrowhead Home and Builders Show, Riverquest, Earth Tracks, and the Watershed Festival, Earth Day Festivities, and Lake Superior Days.
- The Utility submitted its annual report on the Minnesota NPDES Phase II MS4 Stormwater Permit and served on the steering committee for the League of Minnesota Cities statewide effort. The Utility worked with other City staff to maintain a Storm Water Pollution Prevention Program in support of the permit.
- The Utility continued to do stormwater stenciling as part of SIP projects. The stencils, pressed into new concrete, remind the public that storm drains go to Lake Superior. In addition the Utility placed decals on storm drains with three school groups.
- The Utility also participated in the St. Louis River Alliance, and the Regional Stormwater Protection Team.
- The Utility received a grant to purchase a high accuracy GPS unit to locate utility features with pinpoint accuracy.
- The Utility continued the "Rake for the Lake" program for collection of winter sand and adoption of storm drains.
- The City co-sponsored 2 construction workshops as part of the Regional Stormwater Protection Team.
- The Utility continued to monitor four streams with data displayed on the www.duluthstreams.org site.
- A Utility Operations staff member received the Clarence Maddy employee of the year award.