

DULUTH PUBLIC UTILITIES COMMISSION

Tuesday, September 20, 2016

City Council Chambers

AGENDA

1. Roll call
2. Approval of previous meeting minutes
3. Old business:
 - 3.1 2017 utilities budget discussion
4. New business:
 - 4.1 16PUC-008 - RESOLUTION APPROVING AND RECOMMENDING 2017 UTILITY BUDGET.
5. Updates from staff
6. Upcoming Council actions
7. Commissioner questions or comments
8. Preview of upcoming business

DULUTH PUBLIC UTILITIES COMMISSION
Meeting Minutes
August 16, 2016

Members Present: Councilor Zack Filipovich, Jim Lewis, Rob Prusak, Councilor Joel Sipress, Councilor Em Westerlund

Members Absent: Jen Julsrud, Jason Thorsell

Staff Present: Liz Bieter, Leanna Gilbert, Howard Jacobson, Chris Madden, Eric Shaffer, Glenn Strid

Call to Order: The meeting was called to order at 5:17 p.m. by President Prusak.

Approval of previous meeting minutes

New business:

Banking rules regarding credit card fee

The City has an arrangement with our credit card company that we will not charge any additional fees and in return we get a better rate. For that reason, we will not be moving forward with the \$5.00 credit card processing fee.

2017 utilities budget discussion

Glenn Strid explained the various lines of the utility cash projections that were included in the meeting packets. He then went through revenues, expenses, and cash balances for each of the utilities, highlighting any significant differences from year to year, and answered questions from commissioners. Commissioners were encouraged to continue reviewing the budget data and submit further questions prior to the next meeting so that staff can do any necessary research. Eric Shaffer answered questions regarding the 5-year capital plans that were also included in the meeting packets. He also asked for the Commission's opinion on starting a lead service replacement program, which would require a rate increase to cover the cost. Commissioners preferred to continue with the current method of controlling the lead content, which is to treat the water with caustic soda. Lead services are replaced when water mains are replaced.

Updates from staff

Eric Shaffer reported that there are many projects under construction, including Michigan Street, 4th Street water and gas mains, and the gas main coming from UMD to 4th Street.

Upcoming Council actions

No upcoming actions were mentioned.

Commissioner questions or comments

President Prusak inquired about the water model that was discussed in March. Eric Shaffer said that the vendor is waiting for us to give them some hydrant data. The project should be on track for completion in September.

Preview of upcoming business

The next meeting is scheduled for Tuesday, September 20, 2016, at 5:15 p.m. in City Council Chambers. The Commission will continue to review the 2017 utilities budgets. Commissioner Westerlund asked if any rate increases are anticipated for next year. Eric Shaffer replied that he could use whatever money we can get for water. City staff is still discussing stormwater, so there could potentially be an increase in that utility.

Adjournment: The meeting was adjourned at 7:17 p.m.

RESOLUTION NO. 16PUC-008

**RESOLUTION APPROVING AND RECOMMENDING 2017
UTILITY BUDGET.**

WHEREAS, pursuant to 2-186 (d) of the Duluth City Code, 1959, as amended, the Duluth Public Utilities Commission (the "DPUC") is charged with approving and recommending to the Duluth City Council the annual budget for the City's water utility, natural gas utility, sanitary sewer utility and stormwater utility; and

WHEREAS, the DPUC has reviewed the attached budget for said utilities for the year 2017 and determined that it is reasonable and appropriate to meet the needs of the respective utilities, of the City and of the customers of the utilities.

RESOLVED, that the DPUC hereby approves and recommends to the City Council that it approve the attached budget for the City's water utility, natural gas utility, sanitary sewer utility and stormwater utility for the budget year 2017.

Approved by the DPUC:

(date)

Submitted to City Council:
(where appropriate)

(date)

ATTEST:

Director
Public Works and Utilities
City of Duluth

STATEMENT OF PURPOSE:

The purpose of this resolution is to approve and recommend to the City Council the attached 2017 budget for the City's water utility, natural gas utility, sanitary sewer utility and stormwater utility.

WATER FUND
CASH PROJECTION - DRAFT BUDGET
PROJECTED 2016 THRU 2018

09/12/16

	Actual 2015	Budget 2016	Projected 2016	Budget 2017	Projected 2018
Unrestricted Cash (including Debt Serv. Res.)	500,253	701,300	483,951	512,510	894,110
Revenues:					
Metered Water Sales (4810)	10,619,856	10,709,800	10,908,500	11,218,000	11,218,000
Water Sales for Resale (4811)	1,258,161	1,256,200	1,277,200	1,325,900	1,325,900
Fixed Rate Charges (4831)	2,397,906	2,405,200	2,407,000	2,409,500	2,409,500
Misc. Operating Revenue	159,488	139,000	132,800	130,000	130,000
Non-Operating Revenues	316,728	181,600	171,500	169,500	169,500
Total Revenues	14,752,140	14,691,800	14,897,000	15,252,900	15,252,900
Other Sources of Cash:					
Due from Other Funds	30,454	-	115,828	-	-
Special Assessment Principal	107,872	137,300	146,422	-	-
Accrual Cash Flow Adjustments	-	-	-	-	-
Total Additions to Cash	14,890,467	14,829,100	15,159,250	15,252,900	15,252,900
Expenses:					
Salaries	3,494,024	3,586,100	3,431,300	3,838,300	3,934,258
Benefits	1,378,777	1,423,800	1,347,600	1,616,100	1,656,503
Retiree Insurance & OPEB - Benefits (5135)	533,931	552,600	504,200	535,500	535,500
Retiree Insurance & OPEB - Transfers (5700-60)	104,000	68,000	68,000	-	-
Supplies	1,152,444	1,417,900	1,326,000	1,406,900	1,406,900
Other Services and Charges	1,219,614	1,350,200	1,234,400	1,247,200	1,223,200
Utilities	1,246,465	1,255,200	1,205,800	1,261,300	1,261,300
Transfers	174,513	222,900	222,900	244,700	232,700
Improvements Non-Capital (5535)	41,515	-	86,900	-	50,000
Debt Service - Interest Expense (5611)	176,270	170,300	148,000	127,700	103,200
Fiscal Fees	11,328	500	900	900	900
AMRS Lease Interest Payment (5614)	84,523	76,300	79,700	71,300	62,600
Total Expenses	9,617,402	10,123,800	9,655,700	10,349,900	10,467,060
Capital Related Costs:					
Capital Improvements from Current Revenues (5533)	2,911,990	2,859,700	3,446,200	2,344,000	2,130,000
Infrastructure Replacement (5536)	(6,907)	-	-	-	-
Capital Equipment Purchases (5580)	280,015	320,000	346,000	439,800	301,700
Total Expenses and Capital	12,802,500	13,303,500	13,447,900	13,133,700	12,898,760
Other Uses of Cash:					
Due to Other Funds	21,499	-	17,891	-	-
Interfund Loan Payables	-	-	-	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Net Project Timing Adjustments	-	-	-	-	-
Bond Principal Payments	1,548,725	1,574,400	1,445,200	1,509,500	1,421,700
AMRS Lease Principal Payments	211,563	219,700	219,700	228,100	236,800
Accrual Cash Flow Adjustments	322,481	-	-	-	-
Total Deductions to Cash	14,906,769	15,097,600	15,130,691	14,871,300	14,557,260
Current Year Surplus / (Deficit)	(16,302)	(268,500)	28,559	381,600	695,640
Estimated Year End Cash Balance	483,951	432,800	512,510	894,110	1,589,750
Budget Reduction Needed		268,500	96,690	-	-
Estimated Cash After Budget Reduction		701,300	609,200	894,110	1,589,750
Total Reserve Needed (February Debt Payment Due)		701,300	609,200	552,300	552,600

**GAS FUND
CASH PROJECTION - DRAFT BUDGET
PROJECTED 2016 THRU 2018**

09/12/16

	Actual 2015	Budget 2016	Projected 2016	Budget 2017	Projected 2018
Unrestricted Cash (including Debt Serv. Res.)	6,035,675	5,245,775	5,292,734	7,465,656	4,837,656
Revenues:					
Metered Gas Revenues:					
Variable Rate	30,236,489	36,053,500	28,380,700	31,774,100	32,375,900
Fixed Rate	3,843,896	3,875,800	3,871,900	3,928,800	3,928,800
Misc. Operating Revenue	1,413,652	1,526,000	1,832,500	1,386,200	1,386,200
Non-Operating Revenues	120,040	127,200	517,200	127,200	127,200
Total Revenues	35,614,077	41,582,500	34,602,300	37,216,300	37,818,100
Other Sources of Cash:					
Due from Other Funds	42,199	-	29,794	-	-
Interfund Loan Receivable	-	-	-	-	-
Energy Fund Loan Repayment	150,000	150,000	150,000	150,000	150,000
Special Assessment Principal	11,955	21,000	8,300	-	-
Accrual Cash Flow Adjustments	1,045,442	-	-	-	-
Total Additions to Cash	36,863,673	41,753,500	34,790,394	37,366,300	37,968,100
Expenses:					
Salaries	4,357,079	4,887,500	4,414,400	5,003,800	5,128,900
Benefits	1,705,204	1,970,800	1,695,800	2,084,800	2,136,900
Retiree Insurance & OPEB - Benefits (5135)	874,560	891,200	870,100	916,800	916,800
Retiree Insurance & OPEB - Transfers (5700-60)	38,000	-	-	-	-
Supplies	1,102,756	973,000	1,017,400	1,155,300	1,155,300
Natural Gas Purchases	18,713,748	24,422,000	15,147,900	20,930,900	20,930,900
Other Services and Charges	1,761,673	1,557,800	1,407,600	1,717,600	1,693,600
In Lieu of Tax	4,080,329	2,876,000	2,484,600	2,357,800	2,596,200
Utilities	41,092	38,000	39,700	38,500	38,500
Transfers	125,847	160,700	160,700	182,500	170,500
Improvements Non-Capital (5535)	92,755	60,000	120,300	110,000	160,000
Debt Service - Interest Expense (5611)	123,690	84,200	84,200	55,300	29,800
Fiscal Fees	613	600	500	500	500
AMRS Lease Interest Payment (5614)	77,479	69,900	73,100	65,400	57,400
Total Expenses	33,094,825	37,991,700	27,516,300	34,619,200	35,015,300
Capital Related Costs:					
Capital Improvements from Current Revenues (5533)	3,029,353	3,675,000	3,644,900	3,814,500	2,530,000
Capital Equipment Purchases (5580)	325,209	300,500	326,000	448,600	284,500
Total Expenses and Capital	36,449,386	41,967,200	31,487,200	38,882,300	37,829,800
Other Uses of Cash:					
Due to Other Funds	40,323	-	58,872	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Net Project Timing Adjustments	-	-	-	-	-
Bond Principal Payments	922,972	870,000	870,000	902,900	480,000
AMRS Lease Principal Payments	193,933	201,400	201,400	209,100	217,100
Debt Called	-	-	-	-	-
Accrual Cash Flow Adjustments	-	-	-	-	-
Total Deductions to Cash	37,606,614	43,038,600	32,617,472	39,994,300	38,526,900
Current Year Surplus / (Deficit)	(742,940)	(1,285,100)	2,172,922	(2,628,000)	(558,800)
Estimated Year End Cash Balance	5,292,734	3,960,675	7,465,656	4,837,656	4,278,856
Budget Reduction Needed		-	-	-	-
Estimated Cash After Budget Reduction		3,960,675	7,465,656	4,837,656	4,278,856
Total Reserve Needed (February Debt Payment Due)		1,055,800	1,055,800	1,075,700	636,900

**SANITARY SEWER FUND
CASH PROJECTION - DRAFT BUDGET
PROJECTED 2016 THRU 2018**

09/12/16

	Actual 2015	Budget 2016	Projected 2016	Budget 2017	Projected 2018
Unrestricted Cash (including Debt Serv. Res.)	2,762,772	1,615,600	1,593,085	2,479,607	2,289,107
Revenues:					
Metered Revenue:					
Variable Revenue	15,999,266	16,893,600	16,100,800	16,256,000	16,256,000
Fixed Revenue	1,927,490	1,923,100	1,927,700	1,929,100	1,929,100
Misc. Operating Revenue	223,696	200,600	1,256,600	206,400	206,400
Non-Operating Revenues (excluding Capital Grants)	122,236	58,900	29,200	44,200	44,200
Total Revenues	18,272,689	19,076,200	19,314,300	18,435,700	18,435,700
Other Sources of Cash:					
Due from Other Funds	30,742	-	37,319	-	-
Special Assessment Principal	258,415	193,400	278,503	-	-
Accrual Cash Flow Adjustments	434,283	-	-	-	-
Total Additions to Cash	18,996,129	19,269,600	19,630,122	18,435,700	18,435,700
Expenses:					
Salaries	2,142,328	2,275,800	2,036,000	2,150,400	2,204,160
Benefits	854,596	927,600	799,800	884,100	906,203
Retiree Insurance & OPEB - Benefits (5135)	186,409	187,200	171,700	180,700	180,700
Retiree Insurance & OPEB - Transfers (5700-60)	-	-	-	-	-
Supplies	276,972	363,600	345,500	357,700	357,700
Other Services and Charges	776,651	813,000	767,900	804,300	780,300
WLSSD Treatment Charges	8,802,904	8,702,700	8,750,400	8,783,300	8,783,300
WLSSD Testing	218,801	218,800	216,700	217,000	217,000
SSO Grants and Improvements	303,050	450,000	295,800	360,000	360,000
Utilities	107,214	122,700	117,400	123,700	123,700
Transfers	120,445	160,500	160,500	182,400	170,400
Improvements Non-Capital (5535)	191,870	50,000	115,300	50,000	50,000
Debt Service - Interest Expense (5611)	274,835	242,500	198,700	180,500	180,500
Fiscal Fees	27,304	2,100	2,600	2,600	2,600
AMRS Lease Interest Payment (5614)	72,784	65,700	68,700	61,400	61,400
Total Expenses	14,356,164	14,582,200	14,047,000	14,338,100	14,377,963
Capital Related Costs:					
Capital Improvements from Current Revenues (5533)	3,226,815	2,000,000	2,708,900	1,950,000	2,000,000
Infrastructure Replacement (5536)	-	-	-	-	-
Capital Equipment Purchases (5580)	373,327	240,300	112,000	278,700	172,900
Total Expenses and Capital	17,956,306	16,822,500	16,867,900	16,566,800	16,550,863
Other Uses of Cash:					
Due to Other Funds	24,032	-	8,900	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Net Project Timing Adjustments	-	-	-	-	-
Infrastructure System Replacement Fund	128,556	76,800	120,000	120,000	120,000
Bond Principal Payments	1,874,742	1,762,800	1,557,700	1,743,000	2,159,300
AMRS Lease Principal Payments	182,179	189,100	189,100	196,400	203,900
Accrual Cash Flow Adjustments	-	-	-	-	-
Total Deductions to Cash	20,165,816	18,851,200	18,743,600	18,626,200	19,034,063
Current Year Surplus / (Deficit)	(1,169,687)	418,400	886,522	(190,500)	(598,363)
Estimated Year End Cash Balance	1,593,085	2,034,000	2,479,607	2,289,107	1,690,745
Budget Reduction Needed		-	-	-	-
Estimated Cash After Budget Reduction		2,034,000	2,479,607	2,289,107	1,690,745
Total Reserve Needed (February Debt Payment Due)		1,615,600	1,384,800	1,571,300	1,484,900

CLEAN WATER FUND
 CASH PROJECTION - DRAFT BUDGET
 PROJECTED 2016 THRU 2018

08/03/16

	Actual 2015	Budget 2016	Projected 2016	Budget 2017	Projected 2018
Unrestricted Cash (including Debt Serv. Res.)	50,874	342,874	478,491	746,279	914,879
Revenues:					
Clean Water Surcharge	1,822,664	1,832,100	1,601,000	1,605,000	1,605,000
Misc. Operating Revenue	12,349	8,000	10,000	10,000	10,000
Non-Operating Revenues (excluding Capital Grants)	1,501	600	300	-	-
Total Revenues	1,836,515	1,840,700	1,611,300	1,615,000	1,615,000
Other Sources of Cash:					
Accrual Cash Flow Adjustments	-	-	-	-	-
Total Additions to Cash	1,836,515	1,840,700	1,611,300	1,615,000	1,615,000
Expenses:					
Supplies	-	-	-	-	-
Other Services and Charges	1,275	8,400	7,900	5,900	5,900
Grants & Awards	130,896	200,000	55,912	160,000	160,000
Transfers	-	-	-	-	-
Improvements Non-Capital (5535)	-	-	-	-	-
Debt Service - Interest Expense (5611)	163,795	158,800	158,800	143,100	143,100
Total Expenses	295,966	367,200	222,612	309,000	309,000
Capital Related Costs:					
Capital Improvements from Current Revenues (5533)	-	-	-	-	-
Infrastructure Replacement (5536)	-	-	-	-	-
Capital Equipment Purchases (5580)	-	-	-	-	-
Total Expenses and Capital	295,966	367,200	222,612	309,000	309,000
Other Uses of Cash:					
Budget Carry-Over for Encumbrances	-	-	-	-	-
Bond Principal Payments	1,105,348	1,120,900	1,120,900	1,137,400	1,153,400
Accrual Cash Flow Adjustments	7,583	-	-	-	-
Total Deductions to Cash	1,408,898	1,488,100	1,343,512	1,446,400	1,462,400
Current Year Surplus / (Deficit)	427,617	352,600	267,788	168,600	152,600
Estimated Year End Cash Balance	478,491	695,474	746,279	914,879	1,067,479
Budget Reduction Needed		-	-	-	-
Estimated Cash After Budget Reduction		695,474	746,279	914,879	1,067,479
Total Reserve Needed (February Debt Payment Due)		92,400			

**STORMWATER FUND
CASH PROJECTION - DRAFT BUDGET
PROJECTED 2016 THRU 2018**

09/12/16

	Actual 2015	Budget 2016	Projected 2016	Budget 2017	Projected 2018
Unrestricted Cash (including Debt Serv. Res.)	2,083,144	989,944	1,642,193	1,068,898	1,125,598
Revenues:					
Stormwater Revenue	4,724,012	4,690,100	5,225,000	5,240,000	5,240,000
Misc. Operating Revenue	35,807	26,500	30,000	31,000	31,000
Non-Operating Revenues (excluding Capital Grants)	21,243	11,800	11,200	11,200	11,200
Total Revenues	4,781,063	4,728,400	5,266,200	5,282,200	5,282,200
Other Sources of Cash:					
Due from Other Funds	68,865	-	9,221	-	-
Special Assessment Principal	160	600	476	-	-
Accrual Cash Flow Adjustments	87,226	-	-	-	-
Total Additions to Cash	4,937,315	4,729,000	5,275,897	5,282,200	5,282,200
Expenses:					
Salaries	1,621,055	1,735,300	1,619,300	1,691,600	1,733,890
Benefits	635,296	697,600	644,000	692,700	710,018
Retiree Insurance & OPEB - Benefits (5135)	10,290	10,300	6,500	23,900	23,900
Retiree Insurance & OPEB - Transfers (5700-60)	100,000	91,000	91,000	-	-
Supplies	284,061	296,700	299,700	287,400	287,400
Other Services and Charges	491,472	662,600	582,200	732,700	648,700
Utilities	20,787	26,700	20,100	27,300	27,300
Transfers	527,578	548,300	548,300	570,200	558,200
Improvements Non-Capital (5535)	210,618	265,000	140,300	165,000	175,000
Debt Service - Interest Expense (5611)	47,688	43,000	22,700	24,000	24,000
Fiscal Fees	11,041	400	600	600	600
Total Expenses	3,959,886	4,376,900	3,974,700	4,215,400	4,189,008
Capital Related Costs:					
Capital Improvements from Current Revenues (5533)	842,400	1,225,000	1,712,200	635,000	1,025,000
Capital Equipment Purchases (5580)	337,713	181,800	42,000	147,000	196,400
Total Expenses and Capital	5,139,999	5,783,700	5,728,900	4,997,400	5,410,408
Other Uses of Cash:					
Due to Other Funds	19,430	-	10,592	-	-
Budget Carry-Over for Encumbrances	-	-	-	-	-
Net Project Timing Adjustments	-	-	-	-	-
Bond Principal Payments	218,837	224,700	109,700	228,100	241,600
Accrual Cash Flow Adjustments	-	-	-	-	-
Total Deductions to Cash	5,378,266	6,008,400	5,849,192	5,225,500	5,652,008
Current Year Surplus / (Deficit)	(440,951)	(1,279,400)	(573,295)	56,700	(369,808)
Estimated Year End Cash Balance	1,642,193	(289,456)	1,068,898	1,125,598	755,791
Budget Reduction Needed		537,356	-	-	-
Estimated Cash After Budget Reduction		247,900	1,068,898	1,125,598	755,791
Total Reserve Needed (February Debt Payment Due)		247,900	114,200	241,500	252,100

2017 BUDGET

Project No	Project	Total Project Cost	Water cash	Water bond	Gas	Sanitary cash	Sanitary bond	Storm
WATER PROJECTS								
	4th Street reconstruction by County	\$1,124,000	\$1,124,000					
	Michigan Street with MN Power	\$650,000	\$650,000					
	2nd Ave for Mesaba	\$250,000	\$250,000					
	Replace missing Lakewood filter anthracite	\$250,000	\$250,000					
	Water Main repair on East Superior Street	\$70,000	\$70,000					
NATURAL GAS PROJECTS								
	Gas Main Extensions and Services-2017 Blanket	\$1,500,000			\$1,500,000			
	4 th Street, 18 th Ave. E to Hawthorne, 8-inch PE pipe	\$1,164,500			\$1,164,500			
	48th Ave. E- 3,700 ft replacement with 8-inch	\$750,000			\$750,000			
	London Road 14-inch replacement	\$300,000			\$300,000			
	Meter relocations	\$100,000			\$100,000			
	Bollards	\$50,000			\$50,000			
	New regulator on London Road	\$50,000			\$50,000			
	Upgrading Lakeside/North Shore	\$10,000			\$10,000			
SANITARY PROJECTS								
	Sanitary sewer rehabilitation/lining	\$1,100,000				\$1,100,000		
	Superior Street laterals	\$750,000				\$750,000		
	Lift station rehabilitation- 5, 15, 27, 30, 31, 32, 33, 40	\$100,000				\$100,000		
	Manhole adjustments	\$50,000				\$50,000		
STORM PROJECTS								
	4th Street storm sewer (County project)	\$500,000						\$500,000
	Commonwealth Ave. reconstruction- Boy Scout Landing	\$85,000						\$85,000
	Superior Street with Steam/Transportation project	\$50,000						\$50,000
	Manhole adjustments	\$50,000						\$50,000
	Non-capital storm projects	\$115,000						\$115,000
	Yearly Total	\$9,068,500	\$2,344,000	\$0	\$3,924,500	\$2,000,000	\$0	\$800,000

Capital Improvements Revenue	5533	\$2,344,000	\$0	\$3,814,500	\$1,950,000	\$0	\$635,000
Non-Capital Improvements	5535	\$0	\$0	\$110,000	\$50,000	\$0	\$165,000
Total (not including Patch)		\$2,344,000	\$0	\$3,924,500	\$2,000,000	\$0	\$800,000

2018 BUDGET

Project No	Project	Total Project Cost	Water cash	Water bond	Gas	Sanitary cash	Sanitary bond	Storm
WATER PROJECTS								
	Superior Street water main	\$1,400,000	\$1,400,000					
	Superior Street & Mesaba MNDOT	\$550,000	\$550,000					
	Ramsey Street in existing casing	\$100,000	\$100,000					
	Cathodic protection system on 42-inch steel (study)	\$80,000	\$80,000					
	Fascia repairs at main pump building	\$50,000	\$50,000					
NATURAL GAS PROJECTS								
	Gas Main Extensions and Services-2018 Blanket	\$1,500,000			1,500,000			
	Woodland Ave. 6-inch steel Dressers - 2 miles	\$500,000			500,000			
	Meter relocations	\$200,000			200,000			
	Relocation of Airpark/Martin regulators	\$150,000			150,000			
	Michigan Street- 10-inch installed by Garfield	\$120,000			120,000			
	Building shell at Stora Enso	\$60,000			60,000			
	Bollards	\$50,000			50,000			
	Riveness flow meter	\$50,000			50,000			
	Street projects	\$30,000			30,000			
	Uprating of Fairmont, Spirit Valley, Denfeld, Irving, and Cody	\$20,000			20,000			
	Upgrading Lakeside/North Shore	\$10,000			10,000			
SANITARY PROJECTS								
	Sanitary sewer rehabilitation/lining	\$1,000,000				\$1,000,000		
	Lift station rehabilitation- 5, 15, 27, 30, 31, 32, 33, 40	\$500,000				\$500,000		
	Superior Street laterals	\$500,000				\$500,000		
	Manhole adjustments	\$50,000				\$50,000		
STORM PROJECTS								
	Superior Street with Steam/Transportation project	\$300,000						\$300,000
	Brewery Creek tuckpointing	\$260,000						\$260,000
	Annual Transportation projects	\$100,000						\$100,000
	Gary New Duluth system improvements	\$100,000						\$100,000
	Greys Creek	\$75,000						\$75,000
	Lower Coffee Creek	\$75,000						\$75,000
	City-wide driveway culvert project	\$75,000						\$75,000
	Norton Rd & Thurber Rd hydro & design (E Chester Creek)	\$40,000						\$40,000
	Manhole adjustments	\$50,000						\$50,000
	Non-capital storm projects	\$125,000						\$125,000
	Yearly Total	\$8,120,000	\$2,180,000	\$0	\$2,690,000	\$2,050,000	\$0	\$1,200,000

Capital Improvements Revenue	5533	\$2,130,000	\$0	\$2,530,000	\$2,000,000	\$0	\$1,025,000
Non-Capital Improvements	5535	\$50,000	\$0	\$160,000	\$50,000	\$0	\$175,000
Total (not including Patch)		\$2,180,000	\$0	\$2,690,000	\$2,050,000	\$0	\$1,200,000

2019 BUDGET

Project No	Project	Total Project Cost	Water cash	Water bond	Gas	Sanitary cash	Sanitary bond	Storm
WATER PROJECTS								
	Superior Street water main replacement	\$1,600,000	\$1,600,000					
	Water main replacement- Hidden Valley Phase 2	\$1,050,000	\$1,050,000					
	McCuen Street MNDOT	\$225,000	\$225,000					
		\$0						
NATURAL GAS PROJECTS								
	Gas Main Extensions and Services-2019 Blanket	\$1,500,000			\$1,500,000			
	Meter relocations	\$300,000			\$300,000			
	58th Ave West - 14-in replacement with 3-inch	\$200,000			\$200,000			
	3 rd Street, Vernon, 2 nd Street Alley	\$200,000			\$200,000			
	Stora Enso flow meter	\$100,000			\$100,000			
	Building shell at Riveness	\$60,000			\$60,000			
	Bollards	\$50,000			\$50,000			
	Street projects	\$30,000			\$30,000			
	Uprate Upper Woodland	\$10,000			\$10,000			
SANITARY PROJECTS								
	Sanitary sewer rehabilitation/lining	\$1,500,000				\$1,500,000		
	Lift station rehabilitation- 5, 15, 27, 30, 31, 32, 33, 40	\$500,000				\$500,000		
	Manhole adjustments	\$50,000				\$50,000		
STORM PROJECTS								
	Superior Street with Steam/Transportation project	\$300,000						\$300,000
	TH39 (McCuen St in Gary) MNDOT coordination	\$200,000						\$200,000
	Brewery Creek tuckpointing	\$195,000						\$195,000
	Kenwood Ave. box culvert fish passage (Chester Creek)	\$125,000						\$125,000
	Gary New Duluth system improvements	\$100,000						\$100,000
	Annual Transportation projects	\$100,000						\$100,000
	Clarkhouse Creek	\$75,000						\$75,000
	City-wide driveway culvert project	\$75,000						\$75,000
	Norton Rd & Thurber Rd hydro & design (E Chester Creek)	\$25,000						\$25,000
	Piedmont Heights system improvements	\$20,000						\$20,000
	Manhole adjustments	\$50,000						\$50,000
	Non-capital storm projects	\$135,000						\$135,000
	Yearly Total	\$8,775,000	\$2,875,000	\$0	\$2,450,000	\$2,050,000	\$0	\$1,400,000

Capital Improvements Revenue	5533	\$2,875,000	\$0	\$2,360,000	\$2,000,000	\$0	\$1,215,000
Non-Capital Improvements	5535	\$0	\$0	\$90,000	\$50,000	\$0	\$185,000
Total (not including Patch)		\$2,875,000	\$0	\$2,450,000	\$2,050,000	\$0	\$1,400,000

2020 BUDGET

Project No	Project	Total Project Cost	Water cash	Water bond	Gas	Sanitary cash	Sanitary bond	Storm
WATER PROJECTS								
	Superior Street water main replacement	\$2,000,000	\$2,000,000					
	Far East Superior Street water main- services off 42-inch	\$600,000	\$600,000					
	Lakewood Pump #4 study	\$50,000	\$50,000					
		\$0						
NATURAL GAS PROJECTS								
	Gas Main Extensions and Services-2020 Blanket	\$1,500,000			\$1,500,000			
	20th Ave. West, 23rd Ave. West, 10th Street	\$1,000,000			\$1,000,000			
	Misc. steel replacement	\$500,000			\$500,000			
	Meter relocations	\$200,000			\$200,000			
	Bollards	\$50,000			\$50,000			
	Street projects	\$30,000			\$30,000			
SANITARY PROJECTS								
	Sanitary sewer rehabilitation/lining	\$1,500,000				\$1,500,000		
	Lift station rehabilitation- 5, 15, 27, 30, 31, 32, 33, 40	\$500,000				\$500,000		
	Manhole adjustments	\$50,000				\$50,000		
STORM PROJECTS								
	City-wide pipe repairs & steep slope down drains	\$355,000						\$355,000
	Superior Street with Steam/Transportation project	\$300,000						\$300,000
	Greys Creek	\$200,000						\$200,000
	Gary New Duluth system improvements	\$100,000						\$100,000
	Piedmont Heights system improvements	\$100,000						\$100,000
	Annual Transportation projects	\$100,000						\$100,000
	City-wide culvert project	\$50,000						\$50,000
	Manhole adjustments	\$50,000						\$50,000
	Non-capital storm projects	\$145,000						\$145,000
	Yearly Total	\$9,380,000	\$2,650,000	\$0	\$3,280,000	\$2,050,000	\$0	\$1,400,000

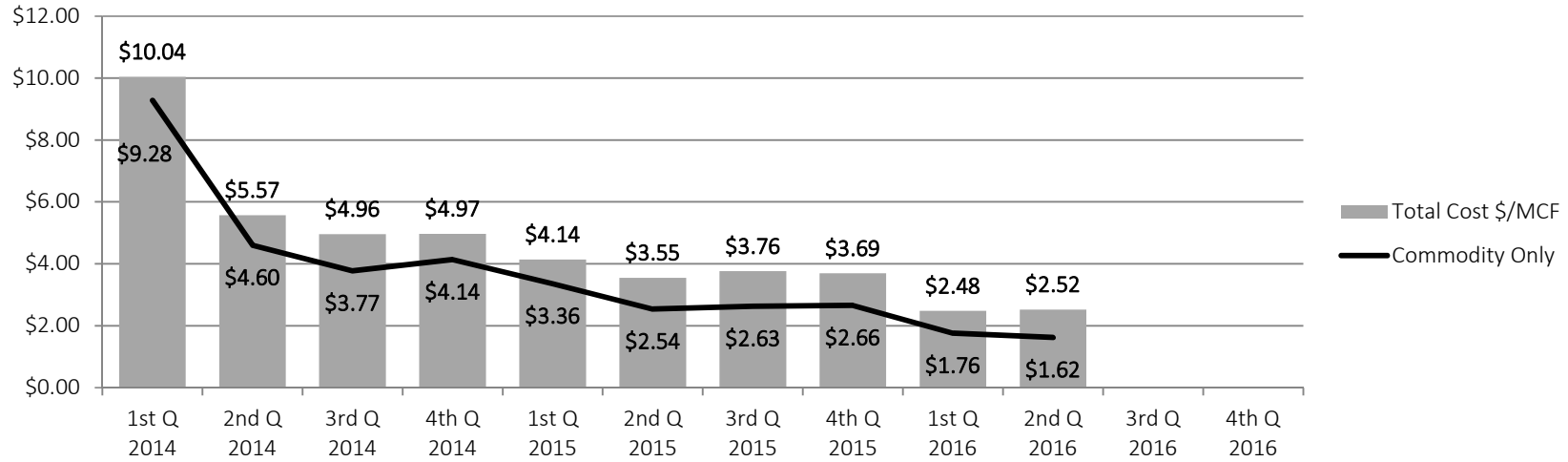
Capital Improvements Revenue	5533	\$2,600,000	\$0	\$3,200,000	\$2,000,000	\$0	\$1,155,000
Non-Capital Improvements	5535	\$50,000	\$0	\$80,000	\$50,000	\$0	\$245,000
Total (not including Patch)		\$2,650,000	\$0	\$3,280,000	\$2,050,000	\$0	\$1,400,000

2021 BUDGET

Project No	Project	Total Project Cost	Water cash	Water bond	Gas	Sanitary cash	Sanitary bond	Storm
WATER PROJECTS								
	Electrical upgrades at Lakewood Treatment Plant	\$1,500,000	\$1,500,000					
	Far East Superior Street water main- services off 42-inch	\$700,000	\$700,000					
	42-inch riveted steel inspection	\$550,000	\$550,000					
	Middle Pump Station Design	\$200,000	\$200,000					
	Gogebic Creek MNDOT	\$200,000	\$200,000					
	US Steel Creek MNDOT	\$120,000	\$120,000					
	Cathodic protection system on 42-inch steel (construction)	\$100,000	\$100,000					
NATURAL GAS PROJECTS								
	Gas Main Extensions and Services-2021 Blanket	\$1,500,000			\$1,500,000			
	Misc. steel replacement	\$500,000			\$500,000			
	Bollards	\$50,000			\$50,000			
	Street projects	\$30,000			\$30,000			
SANITARY PROJECTS								
	Sanitary sewer rehabilitation/lining	\$1,500,000				\$1,500,000		
	Lift station rehabilitation- 5, 15, 27, 30, 31, 32, 33, 40	\$500,000				\$500,000		
	Manhole adjustments	\$50,000				\$50,000		
STORM PROJECTS								
	Norton Rd & Thurber Rd hydro & design (E Chester Creek)	\$555,000						\$555,000
	Clarkhouse Creek	\$200,000						\$200,000
	Gary New Duluth system improvements	\$100,000						\$100,000
	Piedmont Heights system improvements	\$100,000						\$100,000
	Lower Coffee Creek	\$100,000						\$100,000
	Annual Transportation projects	\$100,000						\$100,000
	City-wide driveway culvert project	\$50,000						\$50,000
	Manhole adjustments	\$50,000						\$50,000
	Non-capital storm projects	\$145,000						\$145,000
	Yearly Total	\$8,900,000	\$3,370,000	\$0	\$2,080,000	\$2,050,000	\$0	\$1,400,000

Capital Improvements Revenue	5533	\$3,370,000	\$0	\$2,080,000	\$2,050,000	\$0	\$1,155,000
Non-Capital Improvements	5535	\$0	\$0	\$80,000	\$50,000	\$0	\$245,000
Total (not including Patch)		\$3,370,000	\$0	\$2,080,000	\$2,050,000	\$0	\$1,400,000

Quarterly Natural Gas Cost 2014-2016 Total Cost and Commodity Only



	Total Cost \$/MCF	Commodity Only
1st Q 2014	\$10.04	\$9.28
2nd Q 2014	\$5.57	\$4.60
3rd Q 2014	\$4.96	\$3.77
4th Q 2014	\$4.97	\$4.14
1st Q 2015	\$4.14	\$3.36
2nd Q 2015	\$3.55	\$2.54
3rd Q 2015	\$3.76	\$2.63
4th Q 2015	\$3.69	\$2.66
1st Q 2016	\$2.48	\$1.76
2nd Q 2016	\$2.52	\$1.62
3rd Q 2016		
4th Q 2016		