



AGENDA
REGULAR BOARD MEETING
February 26, 2018
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated January 29, 2018
 - b. Board Member vouchers for the month of January
 - c. Payment Vouchers dated January 24, 2018 to February 20, 2018
 - d. Instrument Technician Job Description Recommendation
 - e. Sanitary Sewer Extension – 6th Street and Almac Drive (City of Proctor)
 - f. 2018 Merit Adjustment Recommendations for Supervisory and Confidential Employees
4. **New Business Items for Discussion and Approval**
 - a. Resolution 18-02; Establishing Executive Director's Salary (materials to be distributed at the meeting)
 - b. Approval of Bleach Bid #1372
5. **Committee Reports**
 - a. Committee of the Whole
 - b. Finance
 - c. Operations
 - d. Personnel
 - e. Legislative
 - f. Planning/Solid Waste
 - g. Board Governance
 - h. Board Member Comments
6. **Executive Director Reporting**
 - a. Communications
 - b. Monthly Financials
 - c. NPDES
7. **Legal Counsel**
8. **Executive Session (staff excused)**



MINUTES
REGULAR BOARD MEETING
February 26, 2018
5:00 pm.

Board Members Present: Jim Aird, Paul Thomsen, Ruth Janke, Dave Manderfeld, Archie Chelseth, Laura Ness, Marcia Podratz, and Julene Boe

Board Members Present via Teleconference: Loren Lilly

Staff Present: Marianne Bohren, Cathy Remington, Al Parrella, Jack Ezell, Karen Anderson, Joe Mayasich, Melissa Williams and Amanda MacDonald

Legal Present: David Oberstar – Fryberger, Buchanan, Smith & Frederick

Chair Janke called the meeting to order at 5:00 p.m.

1. Approval of Consent Agenda Items

- a. Regular Board minutes dated January 29, 2018
- b. Board Member vouchers for the month of January
- c. Payment Vouchers dated January 24, 2018 to February 20, 2018
- d. Instrument Technician Job Description Recommendation
- e. Sanitary Sewer Extension – 6th Street and Almac Drive (City of Proctor)
- f. 2018 Merit Adjustment Recommendations for Supervisory and Confidential Employees

MOTION: Member Manderfeld to approve the Consent Agenda Items

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed with 7 ayes and 2 absents

2. New Business Items for Discussion and Approval

- a. **Resolution 18-02; Establishing Executive Director's Salary**
Melissa Williams discussed Resolution 18-02. The Executive Director's annual review and subsequent 3.25% merit and benefits package effective March 1, 2018. The Executive Director's annual review will be conducted on or before March 1st each year, the WLSSD Board will review these terms annually based upon the results of an annual performance evaluation.

The Personnel Committee recommends that the WLSSD Board approve Resolution 18-02; Establishing Executive Director's Salary.

MOTION: Member Chelseth to approve Resolution 18-02; Establishing Executive Director's Salary

SECOND: Member Ness

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

b. **Approval of Bleach Bid #1372**

Al Parrella discussed bid #1372. Sodium hypochlorite (bleach) is used for effluent compliance from April through October each year. This chemical is purchased in bulk tank truck loads for 4,500 gallons each, and is delivered to (4) 15,000 gallon storage tanks in the disinfection building (building 23).

Two bids were received and opened on February 15, 2018. Hawkins Water Treatment and DPC Industries are the closest manufacturers to WLSSD and have bid competitively over the years for this contract. Hawkins Water Treatment was the low bidder and provided sodium hypochlorite to the District in 2015 and 2016; and DPC Industries was the low bidder for the 2017 disinfection season.

DPC Industries was the low bidder for bid #1372 at \$0.906/gallon which represents a 31% increase over the 2017 contract price which is over the 5% budgeted increase for 2018. The increase is due to the increased costs for raw material used to make the chemical, particularly caustic.

The Finance Committee recommends that the WLSSD Board award the 2018 Sodium Hypochlorite Bid #1372 to DPC Industries Inc., for the purchase and delivery of sodium hypochlorite during the 2018 disinfection season.

MOTION: Member Thomsen to award the 2018 Sodium Hypochlorite Bid #1372 to DPC Industries Inc., for the purchase and delivery of sodium hypochlorite during the 2018 disinfection season

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed with 9 ayes

3. **Committee Reports**

- a. Committee of the Whole – the minutes from the January meeting were reviewed; no meeting is scheduled for March.
- b. Finance – the minutes from the February meeting were reviewed; the next meeting is scheduled for Wednesday, March 21st

- c. Operations – the minutes from the February meeting were reviewed; no meeting is scheduled for March
- d. Personnel – the meeting from February was reviewed; the next meeting is scheduled for Thursday, March 22nd
- e. Legislative – there was no meeting in February; the next meeting is scheduled for Wednesday, March 28th
- f. Planning/Solid Waste – the minutes from the February meeting were reviewed; the next meeting is scheduled for Tuesday, March 21st
- g. Board Governance – there was no meeting in February; the next meeting is scheduled for Thursday, March 22nd
- h. Board Member Comments – none

4. **Executive Director Reporting**

a. **Communications**

Marianne Bohren reviewed the communications for the month of February.

People and Places from the Duluthian noting WLSSD Attorney David Oberstar’s inclusion in the Best Lawyers in America 2018

Article from businessnorth.com entitled: “To survive in evolving market, changes proposed for Duluth paper mill

b. **Monthly Financials**

Cathy Remington reviewed the financials for the month of January.

Revenues

Total Wastewater Operating Revenues thru January were \$11,534 over budget or 101%; Industrial Revenues thru January were \$1,247 under budget or 100%; Operating Investment Earnings were \$6,301 over budget or 294%; Hauled Waste was \$906 under budget or 65%; Biosolids was \$7,459 over budget or 687% Capacity Availability Fee was \$212 under budget or 89%; Other Miscellaneous revenues were \$139 over budget.

Wastewater Loadings

BOD is at 81,043 lbs/day which is 3,947 lbs/day under budget and TSS is at 36,752 lbs/day which is 2,805 lbs/day under budget thru January.

Expenses

Total Wastewater O&M Expenses thru January were \$4,126 over budget or 100%.

Direct Department

Direct Department Expenses thru January were \$86,798 under budget or 89%.

Key area to highlight: Payroll - \$13,211 under budget or 96%; Natural Gas - \$3,312 over budget or 113%; Electricity – \$23,349 under budget or 91%; Diesel -

\$2,142 over budget or 129%; Repairs/Cleaning Interceptors - \$5,000 under budget; Contract Services – \$22,583 under budget or 3%; Supplies - \$8,158 under budget or 30%; Grants to Governmental Units - \$4,125 under budget; Program Development - \$1,250 under budget; Chemicals - \$11,906 under budget or 82% which includes: Polymers - \$7,721 under (84%); Ferric - \$1,973 over (125%); Defoamant - \$779 under (68%); Liquid Oxygen - \$2,500 under; Other Chemicals - \$2,879 under (28%).

Allocated Department Expenses

Total Allocated Department Expenses thru January were \$90,924 under budget or 115%.

Capital Investment Earnings

The Capital Investment Earnings are \$3,890 over budget or 215%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$8,448 over budget or 245%.

Debt Service Transfer

Debt service transfer is \$100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$11,534 over budget thru January. Expenses are \$4,126 over budget; Capital/Debt Service Earnings are \$12,338 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater deficit thru January is \$159,003.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$11,074,500 or 2 ¾ times the minimum targeted goal as of January 31, 2018. (Goal 25% or better of 2018 budgeted O&M expenses - \$4,004,073)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$3,056,226 (includes a \$2.1 million deduction for the Scanlon Interceptor) or \$1 million in excess of the minimum targeted goal as of January 31, 2018. (Goal \$1,000,000 or better plus highest annual WIF set aside of \$1,367,847)

Debt Service Adjusted Fund Balance

The Wastewater Debt Service Adjusted Fund Balance (including Georgia Pacific prepaid 2017-2028) was at 222% as of January 31, 2018. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru January were \$68,729 over budget or 111%.

Transfer Station - \$42,473 over budget or 113%; Hauler Collected Fees (SWMF) - \$24,833 over budget or 114%; Material Recovery Center - \$1,289 under budget or 94%; Yard Waste/Organics - \$20 over budget; Household Hazardous Waste - \$545 over budget or 144%; Operating Investment Earnings - \$1,185 over budget or 337%; Miscellaneous - \$962 over budget or 101%.

Expenses

Total Solid Waste O&M Expenses thru January were \$19,254 under budget or 97%.

Direct Department

Direct Department Expenses thru January were \$23,271 under budget or 96%.

Key areas to highlight: Payroll - \$23,921 under budget or 85%; Solid Waste Disposal - \$28,788 over budget or 109%; Contract Services- \$9,327 under budget or 73%; Supplies - \$8,351 under budget; Public Information - \$361 under budget or 90%; Program Development - \$2,000 under budget.

Allocated Department

Allocated Department Expenses were \$4,017 over budget or 103% thru January.

Capital Fund

Capital Investment earnings - \$521 over budget or 189%; Capital Transfers – YTD 91%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,173,630 or 1 ¾ times the minimum targeted goal as of January 31, 2018 (Goal 25% or better of 2018 budgeted non-Transfer Station O&M expenses - \$1,184,775)

Capital Fund Reserve Balance

The Solid Waste Capital Fund Reserve was at \$749,775 or 1 ¼ times the minimum targeted goal as of January 31, 2018. (Goal \$550,000 or better)

Solid Waste Debt Service Fund

There is no Solid Waste Debt and thus there are no Solid Waste Debt Service Funds.

Transfer Station Fund Balance

The Transfer Station Reserve Fund balance was at \$295,627 or 2 times the minimum targeted goal as of January 31, 2018. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$68,729 over budget thru January. Total Solid Waste Expenses are \$19,254 under budget. Capital transfers are \$1,723 under budget and Capital earnings \$521 over budget. The actual solid waste deficit thru January is \$6,658.

c. NPDES

Joe Mayasich reviewed the NPDES report for January. Both the BOD and TSS limits were met for the month of January. Both the mercury daily maximum and monthly average permit-specified limits were met; so too was the internal goal limit for the daily maximum in January. The disinfection season will start April 1st. The mass based limit for phosphorus was met in January; going forward there will be measures of mass based and concentration based limits for phosphorus. There were no sewage releases in January.

- 5. Legal Counsel – no report
- 6. Executive Session – none

The meeting adjourned at 5:19 p.m.

Recording Secretary

Board Chair

Board Secretary