



AGENDA
REGULAR BOARD MEETING
June 25, 2018
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated May 21, 2018
 - b. Board Member vouchers for the month of May
 - c. Payment Vouchers dated May 16, 2018 to June 19, 2018
 - d. Sanitary Sewer Extension – Juntunen Road (City of Esko)
 - e. Sanitary Sewer Extension – Water Treatment Plant #1 (City of Cloquet)
 - f. Sanitary Sewer Extension – MCCU (City of Cloquet)
4. **New Business Items for Discussion and Approval**
 - Operations
 - a. Approval of Main Plant Biofilter Media Replacement – Bid #1379
 - b. Approval of Additional Clarifier Modeling/Analysis – Professional Services Recommendation
 - c. Approval of Professional Services – Combined Heat and Power – Engine Generator/Siloxane Removal (materials to be distributed at the meeting)
 - Governance
 - d. Approval of 2018 – 2019 Committee Assignments
 - e. Approval of Recommendation for 2018 – 2020 Board Officers
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
June 25, 2018
5:00 p.m.

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

Board Members Absent: Loren Lilly

Staff Present: Marianne Bohren, Crystal Nicolai, Cathy Remington, Karen Anderson, Joe Mayasich, Jack Ezell, Carrie Clement, 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

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MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Chelseth

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

a. Approval of Main Plant Biofilter Media Replacement – Bid #1379

Carrie Clement presented bid 1379. The main plant biofilter was first installed in October 1996, and resulted in a significant reduction of odors emanating from the wastewater treatment plant. The biofilter has continued to perform well and continues to be vital for managing the odors.

It is recommended that replacement of the media occurs whenever there are any unacceptable odors coming from the biofilter or if the ventilation is reduced in key plant areas. The current biofilter media was last replaced in June 2012; there has not been any noticeable increase in odors since then, however there has been compaction of the media and vegetation growth. The ventilation in key areas of the main plant are at acceptable levels but the individual biofilter cells measure between 70-98% of design. There are three cells total, and the west cell is consistently indicating the worst performance.

Bids were solicited for the replacement of the biofilter media and rehabilitation of the west cell. Two bids were received and opened on June 14, 2018. Contractors were instructed to include quotes for the replacement of the media (schedule A) and conditional work items on a unit cost basis that may need to be completed during construction (schedule B). A Plus Landscaping was the lowest responsible bidder for Schedule A and Schedules A&B.

The Operations Committee recommends that the WLSSD Board authorize staff to enter into an agreement with A Plus Landscaping for the base bid with the potential for schedule B based on inspection of other biofilter components.

MOTION: Member Manderfeld to authorize staff to enter into an agreement with A Plus Landscaping for the base bid with the potential for schedule B based on inspection of other biofilter components

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

b. Approval of Additional Clarifier Modeling/Analysis – Professional Services Recommendation

Carrie Clement presented the professional services recommendation. From 2001 – 2003 the secondary clarifiers underwent rehabilitation that included replacement of all mechanical and electrical components as well as exterior concrete repair; and then in 2004 and 2005 the steel mechanisms were recoated. In 2014, movement was detected in clarifier #3 and Brown & Caldwell conducted a condition assessment of that clarifier. Follow the assessment, additional geotechnical investigation and subsequent emergency repair project to the clarifier 3 influent channel, structural slab, and topping as well as installation of pressure relief valves was completed in early 2017.

Repair of the interior and exterior concrete surfaces was not determined to be of immediate concern, thus were not addressed during the emergency repair

project. Planned concrete repairs for all four of the clarifiers was added to the 10-year capital improvements plan. It is assumed that all clarifiers would have the same concrete condition since they have been in operation under similar conditions over their life; however, this assumption would continue to be evaluated as subsequent clarifiers were inspected.

In the fall of 2017, field investigation for the condition assessment for clarifier #4 was conducted. None of the issues found during the emergency repair of clarifier #3 were found in clarifier #4. Generally, the results indicate that the general concrete rehabilitation issues that were found in #3 are similar in clarifier #4. Brown & Caldwell suggested that some additional analysis could be completed prior to finalizing the condition assessment in order to identify whether there is a more cost effective option available that would address the deterioration of the concrete launders and supports. The launder is the trough that collects the wastewater as it flows out of the clarifier.

Brown & Caldwell submitted a detailed scope to provide professional services for completing clarifier modeling and analysis to determine which launder configuration would be most efficient when designing a replacement, identify other adjustments that could enhance the performance of the clarifiers and provide recommendation associated timing and planning level cost estimates for potential improvements.

The modeling and analysis of the additional simulation is planned to be complete in July 2018.

The Operations Committee recommends that the WLSSD Board to authorize Brown & Caldwell for professional services associated with additional clarifier modeling and analysis.

- MOTION: Member Thomsen to authorize Brown & Caldwell for professional services associated with additional clarifier modeling and analysis
- SECOND: Member Boe
- DISCUSSION: None
- RESULT: The motion passed unanimously

- c. **Approval of Professional Services – Combined Heat and Power – Engine Generator/Siloxane Removal**
Carrie Clement discussed the professional services. In 2013, Donohue and Associates was selected for engineering services for the development of an Energy Management Master Plan as well as a preliminary design for main plant

facility improvements. The Energy Management Master Plan (EMMP) was finalized in October of 2013 and has outline the pathway for WLSSD to stabilize its energy costs and move towards the goal of energy independence.

The first steps in the Near Term Action Plan outlined in the EMMP were replacement of the steam boilers at the plant for process and facility heating with smaller modular hot water boilers; installation of biogas conditioning equipment was also included in the plan. The design and construction of those improvements was completed in 2016.

Installation of a combined heat and power (CHP) is also part of the near term action plan of the EMMP. Donohue & Associates has assembled a proposal for professional services that includes design, and bidding phase services for the CHP – Engine Generators and Siloxane Removal Improvements. Construction phase professional services will be requested from Donohue after bids are received for the project.

The project is eligible for funding through the Minnesota Public Facilities Authority. The planned schedule for this work would begin in July 2018 and continue through the anticipated bid opening date and recommendation of award in May 2019.

The Operations recommends that the WLSSD Board approve entering into an agreement with Donohue & Associates for the CHP – Engine Generators and Siloxane Removal Improvements.

MOTION: Member Podratz to approve entering into an agreement with Donohue & Associates for the CHP – Engine Generators and Siloxane Removal Improvements

SECOND: Member Ness

DISCUSSION: None

RESULT: The motion passed unanimously

d. **Approval of 2018 – 2019 Committee Assignments**

Marianne Bohren reviewed the committee assignments July 1, 2018 to June 30, 2019. Member Podratz will chair the Finance Committee; Member Manderfeld will chair the Operations Committee; Member Boe will chair the Planning/Solid Waste Committee; Member Chelseth will chair the Legislative Committee; Member Thomsen will chair the Governance Committee; and Member Manderfeld will chair the Personnel Committee.

The Governance Committee recommends that WLSSD Board approve the 2018 – 2019 Committee Assignments.

MOTION: Member Chelseth to approve the 2018 – 2019 Committee Assignments

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

e. Approval of Recommendation for 2018 – 2020 Board Officers

Marianne Bohren reviewed the Board Officers recommendation for 2018-2020. It is recommended that Member Thomsen will be Board Chair; Member Chelseth will be Board Vice Chair; Member Boe will be Board Secretary; and Member Podratz be Board Treasurer.

The Governance Committee recommends that the WLSSD Board approve the recommendation for the 2018 – 2020 Board Officers.

MOTION: Member Manderfled to approve the recommendation for the 2018 – 2020 Board Officers

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. Committee of the Whole – there was no meeting in June and no meeting is scheduled for July.
- b. Finance – the minutes from the June meeting were reviewed; the next meeting is scheduled for Wednesday, July 18th.
- c. Operations – the minutes from the June meeting were reviewed; the next meeting is scheduled for Tuesday, July 17th.
- d. Personnel – there was no meeting in June and no meeting is scheduled for July.
- e. Legislative – the minutes from the June meeting were reviewed; there is no meeting scheduled for July.
- f. Planning/Solid Waste – the minutes from the June meeting were reviewed; the next meeting is scheduled for Tuesday, July 17th.
- g. Board Governance – the minutes from the June meeting were reviewed; there is no meeting scheduled for July.
- h. Board Member Comments – none

4. Executive Director Reporting

a. Communications

Marianne Bohren reviewed the communications for the month of June.

Article from Duluth News Tribune entitled: “Priorities clash in garbage arena – Local authorities, MPCA at loggerheads over landfills”

Article from crowrivermedia.com entitled: “Dayton: Wild rice task force faces a big challenge”

Article from The Woman Today entitled: “Cleaning out your medicine cabinet can help the community”

Article from Duluth News Tribune entitled: “Lack of landfill capacity only the start of waste woes”

Bygones from Duluth News Tribune from 6/15/98 about the Pike Lake area connecting to WLSSD’s sewage treatment plant

Crystal Nicolai gave an update regarding an incident in which an employee dislocated their shoulder. The employee was working inside a mixed media filter, which is a permit required confined space. The environment inside the filter is hot and humid; the work is physically demanding and it was decided to work in 30 minute increments.

The employee slipped and fell as they were going to the ladder to climb out of the filter. The employee’s right shoulder was dislocated when they fell; however, the employee was able to hook up to the retrieval device and climb out themselves. A doctor was able to re-position the shoulder and recommended no work until the employee was reevaluated.

Ms. Nicolai reviewed the incident investigation findings and recommendations. It was determined that a steel link floor mat at the bottom of the ladder would provide traction in the wet environment; employees should stay tied to the retrieval device for fall protection, however it may not work everywhere in the mixed media filters and a self-retracting lifeline would eliminate or lessen fall injuries; two people to do the work inside the filter would lessen fatigue; and keeping the spray arms away from the half wall so entrants would not need to climb over them.

Member Manderfeld stated that the steel link floor mats can become very slick and that proper anchoring would be necessary. Member Manderfeld also suggested getting a short ladder over the half wall to lessen the chance of falling.

b. Monthly Financials

Cathy Remington reviewed the financials for the month of May.

Revenues

Total Wastewater Operating Revenues thru May were \$149,973 over budget or 101%; Industrial Revenues thru May were \$110,494 over budget or 102% - includes \$11,472 Verso Bankruptcy Receipt; Operating Investment Earnings were \$34,974 over budget or 309%; Hauled Waste was \$39,431 over budget or 182%; Biosolids was \$4,184 over budget or 130% Capacity Availability Fee was \$35,425 under budget or 57%; Other Miscellaneous revenues were \$3,685 under budget.

Wastewater Loadings

BOD is at 81,715 lbs/day which is 3,275 lbs/day under budget and TSS is at 39,396 lbs/day which is 161 lbs/day under budget thru May.

Expenses

Total Wastewater O&M Expenses thru May were \$170,900 under budget or 97%.

Direct Department

Direct Department Expenses thru May were \$545,806 under budget or 86%.

Key area to highlight: Payroll - \$118,422 under budget or 92%; Natural Gas - \$2,566 under budget or 97%; Electricity – \$129,886 under budget or 90%; Diesel - \$5,959 over budget or 116%; Repairs/Cleaning Interceptors - \$45,964 under budget or 55%; Contract Services – \$162,629 under budget or 7%; Supplies - \$16,451 under budget or 72%; Engineering Services - \$12,000 under budget; Grants to Governmental Units - \$4,125 under budget or 50%; Program Development - \$6,750 under budget; Chemicals - \$33,824 under budget or 92%. Chemical include: Sodium Hypochlorite/Bisulfite - \$9,994 over (111%); Polymers - \$16,476 under (93%); Ferric - \$11,737 over (129%); Defoamant - \$15,313 under (34%); Liquid Oxygen - \$12,500 under; Other Chemicals - \$11,266 under (34%).

Allocated Department Expenses

Total Allocated Department Expenses thru May were \$374,906 over budget or 113%.

Capital Investment Earnings

The Capital Investment Earnings are \$23,028 over budget or 230%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$52,422 over budget or 255%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$149,973 over budget thru May. Expenses are \$170,900 under budget; Capital/Debt Service Earnings are \$75,450 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru May is \$139,743.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$10,905,130 or 2 ¾ times the minimum targeted goal as of May 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 \$5,131,612 (includes a \$2.1 million deduction for the Scanlon Interceptor) or \$2.76 million in excess of the minimum targeted goal as of May 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 2018-2027) was at 223% as of May 31, 2018. (Goal 120% or better)

Solid Waste**Revenues**

Total Solid Waste Operating Revenues thru May were \$131,504 over budget or 104%.

Transfer Station - \$46,160 over budget or 103%; Hauler Collected Fees (SWMF) - \$117,205 over budget or 112%; Material Recovery Center - \$8,198 under budget or 96%; Yard Waste/Organics - \$22,285 under budget or 75%; Household Hazardous Waste - \$2,620 over budget or 122%; Operating Investment Earnings - \$6,629 over budget or 365%; Miscellaneous - \$10,627 under budget or 98%.

Expenses

Total Solid Waste O&M Expenses thru May were \$153,200 under budget or 96%.

Direct Department

Direct Department Expenses thru May were \$182,429 under budget or 94%.

Key areas to highlight: Payroll - \$48,260 over budget or 93%; Solid Waste Disposal - \$24,096 over budget or 101%; Contract Services- \$63,180 under

budget or 77%; Supplies - \$4,846 under budget or 83%; Public Information - \$14,455 under budget or 69%; Rent Equipment - \$4,980 under budget or 73%; Copying and Printing - \$13,611 under budget or 15%; Grants to Governmental Units - \$28,887 under budget or 70%; Program Development - \$14,835 under budget or 22%.

Allocated Department

Allocated Department Expenses were \$29,229 under budget or 104% thru May.

Capital Fund

Capital Investment earnings - \$3,446 over budget or 218%; Capital Transfers – YTD 101%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$1,990,433 or 1 ½ times the minimum targeted goal as of May 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 \$754,610 or 1 ¼ times the minimum targeted goal as of May 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 \$292,618 or 2 times the minimum targeted goal as of May 31, 2018. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$131,504 over budget thru May. Total Solid Waste Expenses are \$153,200 under budget. Capital transfers are \$1,296 over budget and Capital earnings are \$3,446 over budget. The actual solid waste surplus thru May is \$152,353.

c. **NPDES**

Joe Mayasich reviewed the NPDES report for May. Both the BOD and TSS limits were met for the month of May. Both the mercury daily maximum and monthly average permit-specified limits were met. The disinfection limit was met in May. The mass-based and concentration-based limits for phosphorus were both met. There were no sewage releases in May.

5. Legal Counsel – no report

6. Executive Session – none

The meeting adjourned at 5:33 p.m.

Recording Secretary

Board Chair

Board Secretary