



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

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
  - a. Regular Board minutes dated February 26, 2018
  - b. Payment vouchers dated February 21, 2018 to March 20, 2018
  - c. Board Member vouchers for the month of February
  - d. Maintenance Welder Job Description Recommendation
4. **New Business Items for Discussion and Approval**
  - Planning/Solid Waste
    - a. Approval of County and WLSSD Household Hazardous Waste Joint Powers Agreement for the Operation of a Household Hazardous Waste Program
  - Finance
    - b. Approval of Ferric Chloride Bid #1374
    - c. Resolution 18-03; PFA Loan Application – Screw Pump Improvements Phase 2
    - d. Resolution 18-04; PFA Loan Application – Scanlon Interceptor Fiberglass Pipe Rehabilitation
    - e. Resolution 18-05; PFA Loan Application – Oxygen Supply and Improvements
    - f. Resolution 18-06; PFA Loan Application – Main Switchgear Replacement
  - Other
    - g. Approval of Scanlon Phase 4 – Professional Services Amendment (materials to be distributed at the meeting)
5. **Committee Reports**
  - a. Committee of the Whole
  - b. Finance
  - c. Operations
  - d. Personnel
  - e. Legislative
  - f. Planning/Solid Waste
  - g. Board Governance
    - i. Approval of 2018 Board Strategic Planning Session Date
  - 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  
March 26, 2018  
5:00 p.m.

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

Board Members Absent: Jim Aird and Loren Lilly

Staff Present: Marianne Bohren, Jack Ezell, Carrie Clement, Brandon Stall, Cathy Remington, Joe Mayasich, Al Parrella, Karen Anderson 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 February 26, 2018
- b. Payment vouchers dated February 21, 2018 to March 20, 2018
- c. Board Member vouchers for the month of February
- d. Maintenance Welder Job Description Recommendation

MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Manderfeld

DISCUSSION: None

RESULT: The motion passed unanimously

**2. New Business Items for Discussion and Approval**

- a. **Approval of County and WLSSD Household Hazardous Waste Joint Powers Agreement for the Operation of a Household Hazardous Waste Program**  
Jack Ezell discussed the Joint Powers Agreement. WLSSD contracts with the Minnesota Pollution Control Agency for the operation of the Household Hazardous Waste program. The agreement provides WLSSD the tools to efficiently and cost effectively operate the HHW program and its county partners. The counties include St. Louis, Aitkin, Carlton, Cook, Koochiching, Lake and Itasca. In November 2017, the Board approved another five year agreement with the MPCA effective January 1, 2018 to December 31, 2022.

These counties and WLSSD have signed similar agreements since the late 1980s. When WLSSD signs the agreement with the state, as we did in November, the terms and services are then passed on to the counties; the counties have agreed to

the terms of the new agreement. This agreement would become effective the date of signature through December 31, 2022.

**The Planning/Solid Waste recommends that the WLSSD Board approve WLSSD to enter into a 5 year agreement with St. Louis, Aitkin, Carlton, Cook, Koochiching, Lake and Itasca counties for the operation of the regional HHW programs. This agreement will be effective the date of signature thru December 31, 2022.**

MOTION: Member Thomsen to approve WLSSD to enter into a 5 year agreement with St. Louis, Aitkin, Carlton, Cook, Koochiching, Lake and Itasca counties for the operation of the regional HHW Programs. This agreement will be effective the date of signature thru December 31, 2022

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

**b. Approval of Ferric Chloride Bid #1374**

Al Parrella presented bid #1374. Ferric chloride is used in the anaerobic sludge digestion process, primarily to control the levels of hydrogen sulfide in the digester gas, can also be used to precipitate phosphorus, reduce polymer use, and control biosolids odors.

Sealed bids were received on March 12, 2018 for bulk ferric chloride. Regional factors limit the number of vendors available to WLSSD for this particular product. Hawkins Water Treatment Group and PVS Technologies have competitively bid for the Ferric Chloride contract for the past few years.

The current contracted price of ferric chloride for WLSSD is \$534.92; the 2018 low bid price of \$552.00 is approximately 3.19% higher than the previous year's cost, and higher than the 2.5% budgeted increase. The estimated use of Ferric Chloride for May 1, 2018 to April 30, 2019 is 200 dry tons.

**The Finance Committee recommends awarding bid #1374 to Hawkins Water Treatment Group in the amount of \$552.00/dry ton, for a period of twelve months.**

MOTION: Member Manderfeld to award bid #1374 to Hawkins Water Treatment Group in the amount of \$552.00/dry ton, for a period of twelve months

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

c. **Resolution 18-03; PFA Loan Application – Screw Pump Improvements Phase 2**

Cathy Remington discussed Resolution 18-03. This resolution allows WLSSD to apply for PFA Loan funding for the Screw Pump Improvements Project, Phase 2.

**The Finance Committee recommends that the WLSSD Board approve Resolution 18-03; PFA Loan Application – Screw Pump Improvements Phase 2.**

MOTION: Member Boe to approve Resolution 18-03; PFA Loan Application – Screw Pump Improvements Phase 2

SECOND: Member Chelseth

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

d. **Resolution 18-04; PFA Loan Application – Scanlon Interceptor Fiberglass Pipe Rehabilitation**

Cathy Remington discussed Resolution 18-04. This resolution allows WLSSD to apply for PFA Loan funding for the Scanlon Interceptor Fiberglass Pipe Rehabilitation Project.

**The Finance Committee recommends that the WLSSD Board approve Resolution 18-04; PFA Loan Application – Scanlon Interceptor Fiberglass Pipe Rehabilitation.**

MOTION: Member Podratz to approve Resolution 18-04; PFA Loan Application – Scanlon Interceptor Fiberglass Pipe Rehabilitation

SECOND: Member Boe

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

e. **Resolution 18-05; PFA Loan Application – Oxygen Supply and Improvements**

Cathy Remington discussed Resolution 18-05. This resolution allows WLSSD to apply for PFA Loan funding for the Oxygen Supply and Improvements Project.

**The Finance Committee recommends that the WLSSD Board approve Resolution 18-05; PFA Loan Application – Oxygen Supply and Improvements.**

MOTION: Member Thomsen to approve Resolution 18-05; PFA Loan Application – Oxygen Supply and Improvements

SECOND: Member Ness

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

- f. **Resolution 18-06; PFA Loan Application – Main Switchgear Replacement**  
Cathy Remington discussed Resolution 18-06. This resolution allows WLSSD to apply for PFA Loan Funding for the Main Switchgear Replacement Project.

**The Finance Committee recommends that the WLSSD Board approve Resolution 18-06; PFA Loan Application – Main Switchgear Replacement.**

MOTION: Member Ness to approve Resolution 18-06; PFA Loan Application – Main Switchgear Replacement

SECOND: Member Podratz

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

- g. **Approval of Scanlon Phase 4 – Professional Services Amendment**  
Carrie Clement discussed the professional services amendment. In 2015, Brown and Caldwell was hired to provide planning and design professional engineering services for Scanlon Interceptor Rehabilitation Project – Phase 4; Lametti & Sons was awarded the construction contract in March 2016. This project is nearing completion and requires some additional corrective work by the contractor which is currently underway. Brown and Caldwell submitted a scope of work and fee proposal to provide additional construction related engineering and construction inspection services related to the Corrective Action Plans required to complete the project.

**WLSSD staff recommends the Board authorize an Amendment to the contract with Brown and Caldwell for additional construction phase engineering services associated with the Scanlon Interceptor Rehabilitation Project (Phase 4) Corrective Action Plan.**

MOTION: Member Manderfeld to authorize an Amendment to the contract with Brown and Caldwell for additional construction phase engineering services associated with the Scanlon Interceptor Rehabilitation Project (Phase 4) Corrective Action Plan

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

### 3. Committee Reports

- a. Committee of the Whole – there was no meeting in March and no meeting is scheduled for April
- b. Finance – the minutes from the March meeting were reviewed; the next meeting is scheduled for Wednesday, April 18<sup>th</sup> at 11:30 a.m.
- c. Operations – there was no meeting in March; the next meeting is scheduled for Monday, April 16<sup>th</sup> at 11:30 a.m.
- d. Personnel – the minutes from the March meeting were reviewed; no meeting is scheduled for April
- e. Legislative – there was no meeting in March; the next meeting is scheduled for Wednesday, April 4<sup>th</sup> at 11:30 a.m.
- f. Planning/Solid Waste – the minutes from the March meeting were reviewed; the next meeting is scheduled for Monday, April 16<sup>th</sup> at 11:30 a.m.
- g. Board Governance – the minutes from the March meeting were reviewed; no meeting is scheduled for April. The Board Strategic Planning Session is scheduled for Monday, October 22<sup>nd</sup> 2:00 p.m. – 5:00 p.m.

MOTION: Member Manderfeld to approve the Board Strategic Planning Session for Monday, October 22<sup>nd</sup> 2:00 p.m. – 5:00 p.m.

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

- h. Board Member Comments – none

### 4. Executive Director Reporting

#### a. Communications

Marianne Bohren reviewed the communications for the month of March.

**Article** from mprnews.org entitled: “Counties balk at stricter measures for construction debris disposal”

**Bygones** from Duluth News Tribune revisiting March 12, 1978 opening of the WLSSD

**Bygones** from Duluth News Tribune regarding sewer rate increase in March 1978

**Article** from brainerddispatch.com entitled: “Opinion: Focusing on wild rice health”

**Article** from Duluth News Tribune entitled: “‘Focused message’ emerges in lobbying blitz”

**Article** from brainerddispatch.com entitled: “Opinion: Focusing on wild rice health”

b. **Monthly Financials**

Cathy Remington presented the financials for the month of February.

***Revenues***

Total Wastewater Operating Revenues thru February were \$15,515 over budget or 100%; Industrial Revenues thru February were \$11,915 over budget or 100%; Operating Investment Earnings were \$13,023 over budget or 305%; Hauled Waste was \$3,105 under budget or 122%; Biosolids was \$1,389 over budget or 117% Capacity Availability Fee was \$10,092 under budget or 31%; Other Miscellaneous revenues were \$3,825 over budget.

***Wastewater Loadings***

BOD is at 79,077 lbs/day which is 5,913 lbs/day under budget and TSS is at 37,305 lbs/day which is 2,252 lbs/day under budget thru February.

***Expenses***

Total Wastewater O&M Expenses thru February were \$2,796 over budget or 100%.

***Direct Department***

Direct Department Expenses thru February were \$183,815 under budget or 88%.

Key area to highlight: Payroll - \$50,473 under budget or 92%; Natural Gas - \$2,831 over budget or 106%; Electricity – \$52,439 under budget or 90%; Diesel - \$2,179 over budget or 115%; Repairs/Cleaning Interceptors - \$9,375 under budget or 15%; Contract Services – \$28,464 under budget or 10%; Supplies - \$10,742 under budget or 53%; Grants to Governmental Units - \$4,125 under budget; Program Development - \$2,750 under budget; Chemicals - \$27,171 under budget or 79% which includes: Polymers - \$16,150 under (83%); Ferric - \$1,353 over (108%); Defoamant - \$2,616 under (51%); Liquid Oxygen - \$5,000 under; Other Chemicals - \$4,758 under (32%).

***Allocated Department Expenses***

Total Allocated Department Expenses thru February were \$181,019 over budget or 115%.

***Capital Investment Earnings***

The Capital Investment Earnings are \$8,213 over budget or 225%.

***Capital Fund***

The Capital Fund Transfer is 100% year to date.

***Debt Service***

Debt Service Investment Earnings are \$17,826 over budget or 252%.

***Debt Service Transfer***

Debt service transfer is 100% year to date.

***Operations Revenue, Expense, and Surplus Summary***

The Wastewater Operations Revenue are \$15,515 over budget thru February. Expenses are \$2,796 under budget; Capital/Debt Service Earnings are \$26,039 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater deficit thru February is \$173,256.

***Operations Fund Balance***

The Wastewater Operations Fund Balance was at \$11,044,402 or 2 ¾ times the minimum targeted goal as of February 28, 2018. (Goal 25% or better of 2018 budgeted O&M expenses - \$4,004,073)

***Capital Fund Reserve Balance***

The Wastewater Capital Fund Reserve was \$3,525,518 (includes a \$2.1 million deduction for the Scanlon Interceptor) or \$1 million in excess of the minimum targeted goal as of February 28, 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 February 29, 2018. (Goal 120% or better)

**Solid Waste**

***Revenues***

Total Solid Waste Operating Revenues thru February were \$78,631 over budget or 106%.

Transfer Station - \$29,036 over budget or 104%; Hauler Collected Fees (SWMF) - \$49,362 over budget or 114%; Material Recovery Center - \$2,799 under budget or 93%; Yard Waste/Organics - \$30 over budget; Household Hazardous Waste -



\$544 over budget or 126%; Operating Investment Earnings - \$2,417 over budget or 342%; Miscellaneous - \$41 over budget or 151%.

***Expenses***

Total Solid Waste O&M Expenses thru February were \$56,644 under budget or 96%.

***Direct Department***

Direct Department Expenses thru February were \$70,839 under budget or 93%.

Key areas to highlight: Payroll - \$41,563 over budget or 85%; Solid Waste Disposal - \$21,563 over budget or 103%; Contract Services- \$18,963 under budget or 75%; Supplies - \$8,286 under budget or 31%; Public Information - \$4,301 under budget or 64%; Program Development - \$5,457 under budget or 29%.

***Allocated Department***

Allocated Department Expenses were \$14,195 over budget or 105% thru February.

***Capital Fund***

Capital Investment earnings - \$1,093 over budget or 193%; Capital Transfers – YTD 91%.

***Operations Fund Balance***

The Solid Waste Operations Fund Balance was at \$2,384,038 or 2 times the minimum targeted goal as of February 28, 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 \$749,981 or 1 ¼ times the minimum targeted goal as of February 28, 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 \$295,727 or 2 times the minimum targeted goal as of February 28, 2018. (Goal \$150,000 or better)

***Solid Waste Summary***

Total Solid Waste Operating Revenues are \$78,631 over budget thru February. Total Solid Waste Expenses are \$56,644 under budget. Capital transfers are \$3,641 under budget and Capital earnings \$1,093 over budget. The actual solid waste surplus thru February is \$732.

c. **NPDES**

Joe Mayasich reviewed the NPDES report for February. Both the BOD and TSS limits were met for the month of February. 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 February. The disinfection season will start April 1st. The mass based and concentration limits for phosphorus were met in. There were no sewage releases in February.

5. Legal Counsel – no report

6. Executive Session – none

The meeting adjourned at 5:25 p.m.

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Recording Secretary

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Board Chair

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Board Secretary