



AGENDA
REGULAR BOARD MEETING
May 21, 2018
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated April 23, 2018
 - b. Board Member vouchers for the month of April
 - c. Payment vouchers dated April 18, 2018 to May 15, 2018
 - d. Sanitary Sewer Extension – Essentia Health Regional Wellness Center (City of Hermantown)
4. **New Business Items for Discussion and Approval**
 - Other
 - a. Resolution 18-07; Wisconsin Department of Natural Resources NR 208 – Compliance Maintenance
 - Operations
 - b. Approval of Cloquet Pump Station Rehabilitation – Recommendation to Authorize Engineering Services
 - c. Approval of 2018 Interceptor Maintenance Project – Bid #1376
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
May 21, 2018
5:00 p.m.

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

Board Members Absent: Archie Chelseth

Staff Present: Marianne Bohren, Jack Ezell, Al Parrella, Cathy Remington, Joe Mayasich, Karen Anderson, 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

- a. Regular Board Minutes dated April 23, 2018
- b. Board Member vouchers for the month of April
- c. Payment vouchers dated April 18, 2018 to May 18, 2018
- d. Sanitary Sewer Extension – Essentia Health Regional Wellness Center (City of Hermantown)

MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

- a. **Resolution 18-07; Wisconsin Department of Natural Resources NR 208 – Compliance Maintenance**

Joe Mayasich discussed Resolution 18-07. WLSSD is permitted by the Wisconsin Department of Natural Resources to land apply biosolids on the State of Wisconsin. Section 2.1.4 of the WPDES permit specifies a need to submit a Compliance Maintenance Annual Report (CMAR) by June 30th of each year, for the preceding year. Since 1987, the CMAR has been an annual self-evaluation reporting requirement for publicly and privately owned wastewater treatment

works, which operate under WPDES permits. The CMAR program was revised in 1992 and 2005. In the case of a publicly owned treatment works, a Resolution must be passed by the governing body and submitted as part of the CMAR, verifying its review of the report and providing responses as required. The Resolution, report and scoring results have been prepared to facilitate WLSSD's complete fulfillment of the WPDES permit requirement, to submit a CMAR for calendar year 2017. The scoring (grade) was an "A" and there are no problematic issues to address.

WLSSD staff recommends approval of Resolution 18-07; Wisconsin DNR NR 208 – Compliance Maintenance.

MOTION: Member Podratz to approve Resolution 18-07; Wisconsin DNR NR 208 – Compliance Maintenance

SECOND: Member Manderfeld

DISCUSSION: Member Thomson asked a question about what types of questions did the permittee have to review as part of this report. Joe Mayasich gave some examples and committed to email a copy of the submitted report to the Board members for their information.

RESULT: The resolution passed with 8 ayes and 1 absent

b. Approval of Cloquet Pump Station Rehabilitation – Recommendation to Authorize Engineering Services

Carrie Clement discussed the recommendation. The Cloquet Pump Station is located on Sappi property and pumps wastewater from the City of Cloquet and the Sappi Paper Mill. The station was constructed in the 1970s and the condition of the structure was assessed as part of the 2010 Comprehensive Plan update. At that time, the building had visible degradation but was structurally sound.

Noticeable degradation has occurred in the last number of years and the exterior of the building has several cracks and issues with the structure. Also, the walls of the wet well contain mold and mildew buildup.

WLSSD hired Lake Superior Consulting (LSC) to evaluate the Cloquet Pump Station structure. Their recommendations for rehabilitation include: replacement of loose and cracked masonry, tuck pointing of cracked mortar areas, replacement of louvers and reset lintels, replacement of roof and skirting, and blast, prime and recoat masonry, lintels, louvers, doors and wet well surfaces. Staff requested a proposal for engineering services from LSC for the development of specifications and drawings to rehabilitate the station. The

proposal contains further analysis of the HVAC system to reduce mold growth and corrosion of the interior of the station.

The Operations Committee recommends that the WLSSD Board approve of contracting with Lake Superior Consulting to provide professional engineering services associated with the Cloquet Pump Station Rehabilitation project.

MOTION: Member Thomsen to approve of contracting with Lake Superior Consulting to provide professional engineering services associated with the Cloquet Pump Station Rehabilitation project

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

c. **Approval of 2018 Interceptor Maintenance Project – Bid #1376**

Carrie Clement discussed bid 1376. The Interceptor Maintenance Program (IMP) identified the East, Hermantown, Rice Lake, Pike Lake, Lakeside, Wrenshall and West Interceptors as requiring inspection and cleaning in 2018. The project includes inspection of 56,969 feet of 10 to 48 inch pipe using Closed Circuit Television (CCTV). Based on the CCTV results, pipe segments will be identified for hydraulic cleaning. It is estimated that approximately 30,000 feet of pipe will require hydraulic cleaning to remove roots and debris from the pipe; these sections will also be inspected after cleaning.

The project will also assist in determining the frequency in which routine maintenance activities such as root and debris removal is needed on various interceptors. Results from the inspections will be included in WLSSD's Interceptor Asset Management Tools; these tools are used to monitor the condition of the Interceptor and develop plans for future maintenance and capital projects.

The scope of work includes: inspection of 56,969 feet of seven of WLSSD interceptors, hydraulic cleaning of approximately 30,000 feet of specific locations and pipe segments, post cleaning inspection, additional heavy cleaning as necessary, and 238 internal manhole inspections. The work is planned to be completed within 90 calendar days from the Notice to Proceed, no later than September 28, 2018.

Bids were received and opened on May 10, 2018. The proposed methods, equipment, and personnel were reviewed and are suitable for the work required

for this project. The lowest responsive and responsible bid was from Hydro-Klean.

The Operations Committee recommends that the WLSSD Board award of Bid 1376 – 2018 Interceptor Maintenance Project to Hydro-Klean.

MOTION: Member Manderfeld to award Bid 1376 – 2018 Interceptor Maintenance Project to Hydro-Klean

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. Committee of the Whole – there was no meeting in May, and no meeting is scheduled for June
- b. Finance – there was no meeting in May; the next meeting is scheduled for Wednesday, June 20th
- c. Operations – the minutes from the May meeting were reviewed; the next meeting is scheduled for Tuesday, June 19th
- d. Personnel – there was no meeting in May, and no meeting is scheduled for June
- e. Legislative – there was no meeting in May; the next meeting is scheduled for Thursday, June 14th
- f. Planning/Solid Waste – the minutes from the May meeting were reviewed; the next meeting is scheduled for Thursday, June 21st
- g. Board Governance – there was no meeting in May; the next meeting is scheduled for Wednesday, June 20th
- h. Board Member Comments – Member Aird discussed a possible tour at the Hartel's/DBJ recycling facility, which is on hold for the foreseeable future.

4. Executive Director Reporting

a. Communications

Marianne Bohren reviewed the communications for the month of May.

Letter from Linc Stein with MPCA re: WLSSD facility tour

Letter to Governor Dayton re: Urging Governor Dayton to sign the bonding bill

Article from fox21online.com entitled: "Northlanders work toward increasing Minnesota's recycling rate"

Article from Howie entitled: "WLSSD wastewater treatment facility earns award"

Thank you from Washington Early Childhood Family Education parents regarding Sarah Lerohl's presentation to their group

Press Release from Adele Yorde entitled: "St. Louis River Quest embarks on second quarter-century of programming; 25,000+ students served since 1993"

Article from Pine Journal entitled: "Protecting the land: FDL's Dupuis promotes sustainability, reduces energy use"

b. Monthly Financials

Cathy Remington reviewed the financials for the month of April.

Revenues

Total Wastewater Operating Revenues thru April were \$143,378 over budget or 102%; Industrial Revenues thru April were \$115,671 over budget or 102% - includes \$11,472 Verso Bankruptcy Receipt; Operating Investment Earnings were \$25,901 over budget or 296%; Hauled Waste was \$27,300 over budget or 172%; Biosolids was \$1,791 over budget or 117% Capacity Availability Fee was \$25,039 under budget or 47%; Other Miscellaneous revenues were \$2,246 under budget.

Wastewater Loadings

BOD is at 82,882 lbs/day which is 2,108 lbs/day under budget and TSS is at 38,599 lbs/day which is 958 lbs/day under budget thru April.

Expenses

Total Wastewater O&M Expenses thru April were \$11,524 under budget or 100%.

Direct Department

Direct Department Expenses thru April were \$354,132 under budget or 88%.

Key area to highlight: Payroll - \$104,141 under budget or 91%; Natural Gas - \$4,913 under budget or 94%; Electricity - \$107,393 under budget or 89%; Diesel - \$124 over budget or 100%; Repairs/Cleaning Interceptors - \$1,964 under budget or 97%; Contract Services - \$47,701 under budget or 19%; Supplies - \$23,787 under budget or 49%; Engineering Services - \$12,000 under budget; Grants to Governmental Units - \$4,125 under budget or 50%; Program Development - \$5,500 under budget; Chemicals - \$29,923 under budget or 90%. Chemical include: Sodium Hypochlorite/Bisulfite - \$5,330 over (111%); Polymers - \$14,184 under (92%); Ferric - \$6,566 over (120%); Defoamant - \$8,283 under (48%); Liquid Oxygen - \$10,000 under; Other Chemicals - \$9,352 under (33%).

Allocated Department Expenses

Total Allocated Department Expenses thru April were \$342,608 over budget or 115%.

Capital Investment Earnings

The Capital Investment Earnings are \$16,800 over budget or 221%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$37,156 over budget or 243%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$143,378 over budget thru April. Expenses are \$11,524 over budget; Capital/Debt Service Earnings are \$53,956 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater deficit thru April is \$96,842.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$10,778,957 or 2 ½ times the minimum targeted goal as of April 30, 2018. (Goal 25% or better of 2018 budgeted O&M expenses - \$4,004,073)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$5,120,013 (includes a \$2.1 million deduction for the Scanlon Interceptor) or \$2.75 million in excess of the minimum targeted goal as of April 30, 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 April 30, 2018. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru April were \$86,822 over budget or 103%.

Transfer Station - \$6,297 over budget or 100%; Hauler Collected Fees (SWMF) - \$88,521 over budget or 112%; Material Recovery Center - \$16,154 under budget or 87%; Yard Waste/Organics - \$989 over budget or 105%; Household Hazardous Waste - \$2,143 over budget or 123%; Operating Investment Earnings - \$4,899 over budget or 345%; Miscellaneous - \$127 over budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru April were \$158,452 under budget or 94%.

Direct Department

Direct Department Expenses thru April were \$182,451 under budget or 92%.

Key areas to highlight: Payroll - \$57,355 under budget or 89%; Solid Waste Disposal - \$14,192 under budget or 99%; Contract Services- \$45,073 under budget or 76%; Supplies - \$12,127 under budget or 49%; Public Information - \$15,176 under budget or 58%; Rent Equipment - \$12,452 under budget or 17%; Grants to Governmental Units - \$10,107 over budget or 120%; Program Development - \$12,066 under budget or 26%.

Allocated Department

Allocated Department Expenses were \$23,999 under budget or 104% thru April.

Capital Fund

Capital Investment earnings - \$2,394 over budget or 202%; Capital Transfers – YTD 998%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$1,812,299 or 1 ½ times the minimum targeted goal as of April 30, 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 \$753,644 or 1 ¼ times the minimum targeted goal as of April 30, 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 \$292,133 or 1 ¾ times the minimum targeted goal as of April 30, 2018. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$86,822 over budget thru April. Total Solid Waste Expenses are \$158,452 under budget. Capital transfers are \$500 under budget and Capital earnings \$2,394 over budget. The actual solid waste deficit thru April is \$7,786.

c. **NPDES**

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

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

The meeting adjourned at 5:27 p.m.

Recording Secretary

Board Chair

Board Secretary