



AGENDA
REGULAR BOARD MEETING
July 22, 2019
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated June 24, 2019
 - b. Board Member vouchers for the month of June
 - c. Payment Vouchers dated June 19, 2019 to July 16, 2019
 - d. Sanitary Sewer Extension – The Jigsaw (City of Duluth)
 - e. Sanitary Sewer Extension – Ugstad Road Lift Station #3 Replacement (City of Hermantown)
4. **New Business Items for Discussion and Approval**

Finance

- a. Approval of 2019 – 2020 Payment of Membership Dues to Minnesota Environmental Science and Economic Review Board (MESERB)
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
July 22, 2019
5:00 p.m.

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

Staff Present: Marianne Bohren, Carrie Clement, Cathy Remington, Joe Mayasich, and Amanda MacDonald

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

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

1. Approval of Consent Agenda Items

- a. Regular Board minutes dated June 24, 2019
- b. Board Member vouchers for the month of June
- c. Payment Vouchers dated June 19, 2019 to July 16, 2019
- d. Sanitary Sewer Extension – The Jigsaw (City of Duluth)
- e. Sanitary Sewer Extension – Ugstad Road Lift Station #3 Replacement (City of Hermantown)

MOTION: Member Aird to approve the Consent Agenda Items

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

- a. **Approval of 2019 – 2020 Payment of Membership Dues to Minnesota Environmental Science and Economic Review Board (MESERB)**

Marianne Bohren discussed the membership dues. In the spring of 2017, WLSSD joined MESERB. The Minnesota Environmental Science and Economic Review Board is a joint powers board that is dedicated to the research, study and analysis of environmental issues that are important to Minnesota and those municipalities responsible for water and wastewater treatment. Members of the Board have a common goal of keeping the waters of Minnesota clean, while working to ensure that environmental regulations are based on sound scientific research. The District has found value in participating in the organization and as a member, WLSSD also serves as a member of the MESERB board.

It is the recommendation of the Finance Committee that the WLSSD Board approve the membership of WLSSD in the MESERB organization and payment of the associated dues for July 2019 – July 2020.

MOTION: Member Manderfeld to approve the 2019 – 2020 Payment of Membership Dues to Minnesota Environmental Science and Economic Review Board (MESERB)

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. *Committee of the Whole* – the minutes from the July meeting; the next meeting is scheduled for Monday, August 26th at 4:00 p.m.
- b. *Finance Committee* – there was no meeting in August; the next meetings are scheduled for Wednesday, August 7th and Wednesday, August 21st at 11:30 a.m.
- c. *Operations Committee* – there was no meeting in August; the next meeting is scheduled for Tuesday, August 20th at 11:30 a.m.
- d. *Personnel Committee* – there was no meeting July and no meeting is scheduled for August
- e. *Legislative Committee* – there was no meeting in July and no meeting is scheduled for August
- f. *Planning/Solid Waste* – there was no meeting in July; the next meeting is scheduled for Tuesday, August 20th at 11:30 a.m.
- g. *Board Governance* – there was no meeting in July and no meeting is scheduled for August
- h. *Board Member Comments* – none

4. Executive Director Reporting

a. Communications

Marianne Bohren reviewed the communications for the month of July.

Bygones from Duluth News Tribune from June 28, 1999 regarding new garbage transfer station and biosolids program

Article from the Duluthian, written by AJ Axtell, WLSSD Environmental Program Coordinator, entitled: “Film plastic recycling – the new bin on the block”

b. Monthly Financials

Cathy Remington reviewed the financials for the month of June.

Revenues

Total Wastewater Operating Revenues thru June were \$87,288 over budget or 101%; Industrial Revenues thru June were \$34,732 under budget or 100%;

Operating Investment Earnings were \$83,126 over budget or 328%; Hauled Waste was \$95,899 over budget or 225%; Biosolids was \$1,821 over budget or 109%; Capacity Availability Fee was \$57,422 under budget or 56%; Other Miscellaneous revenues were \$1,404 under budget.

Wastewater Loadings

BOD is at 75,950 lbs/day which is 2,393 lbs/day under budget and TSS is at 40,705 lbs/day which is 2,464 lbs/day over budget thru June.

Expenses

Total Wastewater O&M Expenses thru June were \$531,798 under budget or 93%.

Direct Department

Direct Department Expenses thru June were \$461,054 under budget or 89%

Key areas to highlight: Payroll - \$34,762 under budget or 98%; Natural Gas - \$8,700 over budget or 111%; Electricity – \$319,189 under budget or 78%; Diesel - \$4,747 over budget or 111%; Repairs/Cleaning Interceptors - \$74,615 under budget or 1%; Contract Services – \$8,236 under budget or 80%; Supplies - \$388 under budget or 99%; Program Development - \$6,953 under budget or 4%; Chemicals - \$23,434 under budget or 96%. Chemicals include: Sodium Hypochlorite/Bisulfite - \$52,927 under (72%); Polymers - \$26,439 over (108%); Ferric - \$6,212 over (111%); Defoamant - \$4,364 under (77%); Liquid Oxygen - \$0; Other Chemicals - \$1,206 over (107%)

Allocated Department Expenses

Total Allocated Department Expenses thru June were \$70,744 under budget or 93%.

Capital Investment Earnings

The Capital Investment Earnings are \$73,060 over budget or 286%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$125,854 over budget or 266%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$87,288 over budget thru June. Expenses are \$531,798 under budget; Capital/Debt Service Earnings are \$198,914 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru June is \$699,681.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$11,815,986 or 2 ¾ times the minimum targeted goal as of June 30, 2019. (Goal 25% or better of 2019 budgeted O&M expenses - \$4,030,478)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$7,639,154 or \$5.27 million in excess of the minimum targeted goal as of June 30, 2019. (Goal \$1,000,000 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 2020-2027) was at 217% as of June 30, 2019. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru June were \$133,516 over budget or 103%.

Transfer Station - \$73,272 over budget or 103%; Hauler Collected Fees (SWMF) - \$3,979 under budget or 100%; Material Recovery Center - \$54,530 over budget or 124%; Yard Waste/Organics - \$18,038 under budget or 82%; Household Hazardous Waste - \$14,607 over budget or 133%; Operating Investment Earnings - \$15,102 over budget or 352%; Miscellaneous - \$1,978 under budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru June were \$82,966 under budget or 98%.

Direct Department

Direct Department Expenses thru June were \$71,484 under budget or 98%.

Key areas to highlight: Payroll - \$24,006 under budget or 97%; Solid Waste Disposal - \$44,687 over budget or 102%; Contract Services- \$35,204 under budget or 89%; Supplies - \$703 under budget or 98%; Public Information - \$5,917 under budget or 89%; Rent-Equipment – \$3,159 under budget or 81%; Copying and Printing - \$4,211 under budget or 72%; Program Development - \$7,609 under budget or 60%.

Allocated Department

Allocated Department Expenses were \$11,482 under budget or 99% thru June.

Capital Fund

Capital Investment earnings - \$6,553 over budget or 187%; Capital Transfers – YTD 98%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,290,852 or 1 ¾ times the minimum targeted goal as of June 30, 2019 (Goal 25% or better of 2019 budgeted non-Transfer Station O&M expenses - \$1,192,896)

Capital Fund Reserve Balance

The Solid Waste Capital Fund Reserve was at \$805,594 or 1 ¼ times the minimum targeted goal as of June 30, 2019. (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 \$385,917 or 2 ½ times the minimum targeted goal as of June 30, 2019. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$133,516 over budget thru June. Total Solid Waste Expenses are \$82,966 under budget. Capital transfers are \$4,664 under budget and Capital earnings \$6,553 over budget. The actual solid waste surplus thru June is \$140,571.

WLSSD Incentive Progress

Safety, Health and Wellness

Total earned for June - \$35; total earned year to date - \$190; potential earning for 2019 - \$490.

Environmental and Community Stewardship

Total earned for June - \$0; total earned year to date - \$15; potential earning for 2019 - \$435.

Operational Excellence

Total earned if year ended in June - \$345; potential earning for 2019 - \$600.

Fiscal Responsibility

Total earned if year ended in June - \$300; potential earning for 2019 - \$600.

Incentive Plan Summary

The actual total earned year-to-date is \$205; YTD if year ended in June was \$1,270; the potential earning for 2019 is \$2,215.

c. **NPDES**

Joe Mayasich reviewed the NPDES report for June. Both the BOD and TSS limits were met for the month of June. The permit-specified mercury daily maximum and monthly average limits were both met; however the internal goals were not met. The disinfection limits were met for the month. The concentration- and massed-based limits for phosphorus were both met in June. There were no sewage releases in June.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 5:18 p.m.

Recording Secretary

Board Chair

Board Secretary