



AGENDA – REVISED
REGULAR BOARD MEETING
June 24, 2019
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated May 20, 2019
 - b. Board Member vouchers for the month of May
 - c. Payment Vouchers dated May 15, 2019 to June 18, 2019
 - d. Solid Waste Recycling Facility Permit Reissuance – North State Services
4. **New Business Items for Discussion and Approval**
 - Solid Waste
 - a. Approval of Joint Powers Agreement – Carlton County
 - b. Sanitary Sewer Extension – Section 24 Trunk Sewer Spur (City of Hermantown)
 - Operations
 - c. Approval of Boiler Master Control Panel Upgrade – Professional Services
 - d. CHP – Biogas Engine Generators and Siloxane Removal Update and Resolution
 - Governance
 - e. Approval of 2019 – 2020 Committee Assignments
 - f. Approval of 2019 – 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 24, 2019
5:00 p.m.

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

Staff Present: Karen Anderson, Carrie Clement, Al Parrella, Cathy Remington, Marianne Bohren, Joe Mayasich, Josh Zika, Jim Simmons, 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 May 20, 2019
- b. Board Member vouchers for the month of May
- c. Payment Vouchers dated May 15, 2019 to June 18, 2019
- d. Solid Waste Recycling Facility Permit Reissuance – North State Services

MOTION: Member Podratz 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 Joint Powers Agreement – Carlton County

Carrie Clement presented the joint powers agreement. WLSSD and Carlton County have an agreement that enables Carlton County to dispose of solid waste at the City of Superior Moccasin Mike Landfill through the WLSSD disposal contract with the City of Superior. The Agreement also clarifies the solid waste responsibilities in the areas that overlap between Carlton County and WLSSD; including hauler licensing, recycling, and household hazardous waste programs. The current Agreement is an eight year term that began in September 2011 and will expire June 30, 2019.

The proposed revised agreement would cover the period of July 1, 2019 to June 30, 2024, which coincides with the dates within the existing WLSSD agreement with the City of Superior for the disposal of solid waste at the Moccasin Mike Landfill.

The Planning/Solid Waste Committee recommends that the WLSSD Board approve the proposed Joint Powers Agreement between WLSSD and Carlton County.

MOTION: Member Manderfeld to approve the proposed Joint Powers Agreement between WLSSD and Carlton County

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

b. Sanitary Sewer Extension – Section 24 Trunk Sewer Spur (City of Hermantown)

Carrie Clement reviewed the sewer extension request. The project will consist of 9,000 linear feet of 10-inch PVC trunk sewer main; and will eliminate an existing lift station located at the intersection of Haines and Maple Grove Roads, and ultimately two additional lift stations.

The City of Hermantown is developing 230 acres of land referred to as the Hermantown Marketplace, a mixed zoning district. The new sewer spur is proposed to run from Haines Road and Maple Grove Road and tie into the trunk sewer along Okerstrom Road, 980 feet south of Anderson Road.

In 1997, WLSSD and the MPCA permitted the City of Hermantown to discharge up to 730,000 gallons per day through the trunk sewer and through the WLSSD Bayview Heights Metering Station. The trunk sewer since then has been constructed in three phases serving a large area in the eastern half of the City. The proposed sewer is estimated to generate approximately 250,000 gallons per day. Based on actual metering data over the past 2 years (2017 and 2018) the average actual flow at the Bayview Heights Metering Station has been approximately 267,000 gallons per day. With the proposed ultimate average flows added to the existing average flow, the total flow is 517,000 gallons per day. This would still leave approximately 213,000 gallons per day of permitted flow that has not been generated.

The proposed sewer will result in new flow to the Bayview Height and Western Interceptors. The City of Hermantown is presently in compliance with WLSSD's Ordinance Establishing Standards for Reduction of Inflow and Infiltration. The City has NOT exceeded its Peak Allocated flow in the Bayview Heights Interceptor in the past several years. The project should have minimal impact on the capacity of the downstream collection systems nor prevent or delay the elimination of Sanitary Sewer Overflows on the West Interceptor.

The Planning/Solid Waste Committee recommends that the WLSSD Board approve the Hermantown sewer extension request.

MOTION: Member Aird to approve the Hermantown sewer extension request

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

c. **Approval of Boiler Master Control Panel Upgrade – Professional Services**

Carrie Clement presented the professional services recommendation. The Biogas Conditioning and Main Plant Heating project included the commissioning of nine new boilers and a boiler master control panel. Three of the new boilers are made by Hurst and are capable of burning Biogas or natural gas, and six of the new boilers are made by Parker and burn natural gas or fuel oil. Parker also made the Boiler Master Control Panel.

The control strategy for the boiler system manages multiple fuel sources and requires prioritizing the utilization of Biogas over purchased fuel sources, making it a relatively complex control system. The waste heat from the upcoming CHP Engine Generator project will add additional complexity to the system when the engine cooling water is added to the Boiler Heating Loop.

The Boiler Master Control Panel needs to be upgraded to increase boiler reliability, optimize boiler performance, and prepare for the heat supply from the Biogas Engine generators. The Parker Boiler Master Control Panel was commissioned after much trial and error with programming changes to meet the specification. The commissioned system meets the heating demands in the winter, prioritizes utilization of biogas fuel, and minimizes the consumption of purchased fossil fuels. However, Boiler Operator intervention is often required during the heating season; the existing boiler control panel is not accessible to District personnel to make modifications to the program, which could address issues that require intervention.

Donohue submitted a proposal for professional services for the Boiler Master Control Panel Upgrade project. The purpose of the project is to replace the existing vendor provided IDEC brand Master Boiler PLC and HMI components with Allen Bradley equipment. The proposal states that all services shall be complete within 90 days of authorization. With Board approval in June, the new Boiler Master Control Panel would be commissioned by the beginning of October, just before the upcoming heating season.

The Operations Committee recommends that the WLSSD Board approve entering into an agreement with Donohue & Associates for the Boiler Master Control Panel Upgrade to be funded from the Wastewater Capital Budget.

MOTION: Member Ness to approve entering into an agreement with Donohue & Associates for the Boiler Master Control Panel Upgrade to be funded from the Wastewater Capital Budget

SECOND: Member Manderfeld

DISCUSSION: None

RESULT: The motion passed unanimously

d. **CHP – Biogas Engine Generators and Siloxane Removal Update and Resolution**

Marianne Bohren gave an update of bid #1384. WLSSD had a bonding request as part of the 2019 Legislative Session for \$5.28 million; however, the bonding bill was not passed during the session. WLSSD is hopeful that there still may be a special session in 2019

WLSSD has solicited bids for engine generators for the Combined Heat and Power project. The bids came in higher than the engineer's estimate and ultimately of the budget.

For the 2020 Legislative Session, WLSSD will be increasing the bonding request ask to \$6.75 million due to the decision to add a third generator.

WLSSD staff recommends that the WLSSD Board approve Resolution of Support 19-08; WLSSD Combined Heat and Power Energy Project.

MOTION: Member Manderfeld to approve Resolution of Support 19-08; WLSSD Combined Heat and Power Energy Project

SECOND: Member Lilly

DISCUSSION: None

RESULT: The resolution passed unanimously

e. **Approval of 2019 – 2020 Committee Assignments**

Marianne Bohren reviewed the committee assignments for 2019 – 2020. There were no changes from the 2018 – 2019 assignments.

The Governance Committee recommends that the WLSSD Board approve the 2019 – 2020 Committee Assignments.

MOTION: Member Podratz to approve the 2019 – 2020 Committee Assignments

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

f. **Approval of 2019 – 2020 Board Officers**

Marianne Bohren reviewed the Board Officers for 2019 – 2020.

Paul Thomsen – Chair

Marcia Podratz – Vice Chair

Secretary – Laura Ness

Treasurer – Julene Boe

The Governance Committee recommends that the WLSSD Board approve the 2019 – 2020 Board Officers.

MOTION: Member Chelseth to approve the 2019 – 2020 Board Officers

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

g. **Approval of Extension Agreement for the Agreement for the Operations of a Transfer Station and for Solid Waste Transportation**

Marianne Bohren presented the extension agreement. This agreement is to extend the contract with GTI, the current contractor, for the operation of the transfer station. This is a contingent extension agreement which will only be exercised should the need for services from GTI be necessary to continue operations at the Transfer Station. The agreement will automatically terminate on August 1, 2019 unless otherwise extended by mutual agreement of the parties.

Staff recommends that the WLSSD Board approve the Extension Agreement for the Agreement for the Operations of a Transfer Station and for Solid Waste Transportation.

MOTION: Member Manderfeld to approve the Extension Agreement for the Agreement for the Operations of a Transfer Station and for Solid Waste Transportation

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. *Committee of the Whole* – there was no meeting in June; the next meeting is scheduled for Wednesday, July 17th at 11:30 a.m.
- b. *Finance Committee* – the minutes from the June meeting were reviewed; Finance items will be presented at the Committee of the Whole meeting on July 17th
- c. *Operations Committee* – the minutes from the June meeting were reviewed; Operations items will be presented at the Committee of the Whole meeting on July 17th
- d. *Personnel Committee* – there was no meeting in June and no meeting is scheduled for July
- e. *Legislative Committee* – there was no meeting in June and no meeting is scheduled for July
- f. *Planning/Solid Waste Committee* - the minutes from the June meeting were reviewed; Planning/Solid Waste items will be presented at the Committee of the Whole meeting on July 17th
- g. *Board Governance* – there was no meeting in June and no meeting is scheduled for July
- h. *Board Member Comments* – there were no Board Member comments

4. Executive Director Reporting

a. Communications

Marianne Bohren reviewed the communications for the month of June.

Packet of letters and information sheets regarding impact of Woodland Interceptor rehab on area residents

Bygones from Duluth News Tribune regarding May 16, 1979 article stating Rice Lake Township's concern with WLSSD solids disposal at Rice Lake Landfill

Article from Duluth News Tribune entitled: "Seeing needles: Opioid crisis brings added danger with syringes"

Article from nacwa.org entitled: "President signs supplemental disaster bill with additional SRF funding"

Visit with MCPA Commissioner Bishop 10:00 a.m. to 12:00 p.m. on Friday, June 28th

b. Monthly Financials

Cathy Remington presented the financials for the month of May.

Revenues

Total Wastewater Operating Revenues thru May were \$92,799 over budget or 101%; Industrial Revenues thru May were \$35,261 under budget or 99%;

Operating Investment Earnings were \$69,728 over budget or 338%; Hauled Waste was \$73,093 over budget or 236%; Biosolids was \$3,394 over budget or 123%; Capacity Availability Fee was \$17,160 under budget or 78%; Other Miscellaneous revenues were \$997 under budget.

Wastewater Loadings

BOD is at 74,950 lbs/day which is 3,393 lbs/day under budget and TSS is at 40,442 lbs/day which is 2,201 lbs/day over budget thru May.

Expenses

Total Wastewater O&M Expenses thru May were \$447,212 under budget or 93%.

Direct Department

Direct Department Expenses thru May were \$415,087 under budget or 89%

Key areas to highlight: Payroll - \$30,535 under budget or 98%; Natural Gas - \$7,660 over budget or 110%; Electricity – \$298,577 under budget or 75%; Diesel - \$6,998 over budget or 120%; Repairs/Cleaning Interceptors - \$53,000 under budget; Contract Services – \$11,779 under budget or 67%; Supplies - \$3,622 over budget or 106%; Program Development - \$5,703 under budget or 5%; Chemicals - \$24,132 under budget or 95%. Chemicals include: Sodium Hypochlorite/Bisulfite - \$48,987 under (60%); Polymers - \$24,046 over (109%); Ferric - \$3,502 over (107%); Defoamant - \$5,079 under (67%); Liquid Oxygen - \$0; Other Chemicals - \$2,386 over (117%)

Allocated Department Expenses

Total Allocated Department Expenses thru May were \$32,123 under budget or 99%.

Capital Investment Earnings

The Capital Investment Earnings are \$61,888 over budget or 295%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$104,165 over budget or 274%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$92,799 over budget thru May. Expenses are \$447,212 under budget; Capital/Debt Service Earnings are \$166,053 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru May is \$567,532.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$11,657,043 or 2 ¾ times the minimum targeted goal as of May 31, 2019. (Goal 25% or better of 2019 budgeted O&M expenses - \$4,030,478)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$7,594,756 or \$5.23 million in excess of the minimum targeted goal as of May 31, 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 216% as of May 31, 2019. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru May were \$121,543 over budget or 103%.

Transfer Station - \$82,596 over budget or 104%; Hauler Collected Fees (SWMF) - \$3,410 under budget or 100%; Material Recovery Center - \$35,703 over budget or 122%; Yard Waste/Organics - \$16,945 over budget or 77%; Household Hazardous Waste - \$13,965 over budget or 133%; Operating Investment Earnings - \$12,483 over budget or 350%; Miscellaneous - \$2,849 under budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru May were \$114,610 under budget or 97%.

Direct Department

Direct Department Expenses thru May were \$106,559 under budget or 97%.

Key areas to highlight: Payroll - \$24,963 under budget or 96%; Solid Waste Disposal - \$54,382 over budget or 103%; Contract Services- \$25,699 under budget or 90%; Supplies - \$641 under budget or 97%; Public Information - \$13,787 under budget or 70%; Rent-Equipment – \$2,846 under budget or 80%; Copying and Printing - \$7,263 under budget or 44%; Program Development - \$5,909 under budget or 66%.

Allocated Department

Allocated Department Expenses were \$8,052 under budget or 99% thru May.

Capital Fund

Capital Investment earnings - \$5,263 over budget or 184%; Capital Transfers – YTD 94%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,103,785 or 1 ¾ times the minimum targeted goal as of May 31, 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 \$801,322 or 1 ¼ times the minimum targeted goal as of May 31, 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 \$384,172 or 2 ½ times the minimum targeted goal as of May 31, 2019. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$121,543 over budget thru May. Total Solid Waste Expenses are \$114,610 under budget. Capital transfers are \$10,658 under budget and Capital earnings \$5,263 over budget. The actual solid waste surplus thru May is \$96,321.

WLSSD Incentive Progress

Safety, Health and Wellness

Total earned for May - \$35; total earned thru May - \$155; potential earning for 2019 - \$490.

Environmental and Community Stewardship

Total earned for May - \$0; total earned if year had ended May 31st - \$435; potential earning for 2019 - \$540.

Operational Excellence

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

Fiscal Responsibility

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

Incentive Plan Summary

The total earned year-to-date is \$170; YTD if year ended in May was \$1,235; the potential earning for 2019 is \$2,230.

c. NPDES

Joe Mayasich reviewed the NPDES report for May. Both the BOD and TSS limits were met for the month of May. The permit-specified mercury daily maximum

and monthly average limits were both met; however the internal goals was not met. The disinfection limits were met for the month. The concentration- and massed-based limits for phosphorus were both met in May. There were no sewage releases in May.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 5:39 p.m.

Recording Secretary

Board Chair

Board Secretary