



AGENDA - REVISED
REGULAR BOARD MEETING
May 20, 2019
5:00 p.m.

1. Agenda Review

2. Old Business

3. Approval of Consent Agenda Items

- a. Regular Board minutes dated April 22, 2019
- b. Board Member vouchers for the month of April
- c. Payment Voucher dated April 17, 2019 to May 14, 2019
- d. Approval of Electrician I and Electrician II Job Descriptions

4. New Business Items for Discussion and Approval

Operations

- a. Resolution 19-06; Wisconsin Department of Natural Resources NR 208 – Compliance Maintenance
- b. Approval of Secondary Clarifier 3 Rehabilitation Project Phase 1: Clarifier 3 – Bid #1399
- c. Approval of Screw Pump Improvements Phase 3: Pump 3 – Bid #1400

Personnel

- d. Resolution 19-07; Establishing Executive Director's Salary (materials to be distributed at the meeting)

Other

- e. Approval of Additional Funds for Cloquet Pump Station Rehabilitation

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 20, 2019
5:00 p.m.

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

Board Members Absent: Loren Lilly

Staff Present: Marianne Bohren, Carrie Clement, Karen Anderson, Al Parrella, 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 April 22, 2019
- b. Board Member vouchers for the month of April
- c. Payment Voucher dated April 17, 2019 to May 14, 2019
- d. Approval of Electrician I and Electrician II Job Descriptions

MOTION: Member Manderfeld 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. **Resolution 19-06; Wisconsin Department of Natural Resources NR 208 – Compliance Maintenance**

Joe Mayasich discussed Resolution 19-06. 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 2018. The scoring (grade) was an “A” and there are no problematic issues to address.

The Operations Committee recommends approval of Resolution 19-06; Wisconsin DNR NR 208 – Compliance Maintenance.

MOTION: Member Boe to approve Resolution 19-06; Wisconsin DNR NR 208 – Compliance Maintenance

SECOND: Member Podratz

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

b. Approval of Secondary Clarifier Rehabilitation Project Phase 1: Clarifier 3 – Bid #1399

Carrie Clement presented bid #1399. Starting in 2001 through 2005, the secondary clarifiers underwent major rehabilitation that included replacement of all mechanical and electrical components, exterior concrete repair, and recoating of steel mechanisms. In 2016, clarifier #3 was found to be buoyant and moving; after a condition assessment by Brown and Caldwell, emergency repair work was completed in 2017.

Planned concrete repair of all 4 clarifiers were incorporated into the 10 year capital improvement program, starting with clarifier #3. In addition to field investigations, Brown & Caldwell has completed clarifier modeling and analysis which has allowed for finalization of launder design and flocculation well baffle improvements which will be used during clarifier rehabilitation of all four clarifiers moving forward.

The overall project will consist of concrete repair of deteriorated exterior and interior wall surfaces and corbels (launder supports), replacement of concrete launders and effluent box with stainless steel, new replacement FRP weirs and scum baffles, new replacement dome vents, addition of condensate drip flashing, and extension of the center flocculation well baffle height and depth for improved settling at high flow rates.

Alternate bid items included installation of a new cathodic protection system for the clarifier mechanism (Alt 1), and a new stair and ramp system to the top of the clarifier dome with modifications to the fan to allow for safe in-place maintenance of the exhaust fans (Alts 2 and 3).

Two bids were received and opened on May 9th. Staff recommendation is to award the base bid plus Alternate 1 (cathodic protection) and Alternate 2 (fan

access for clarifier #3). Staff does not recommend awarding Alternate 3 (fan access for all 4 clarifiers) at this time. In the future the fan access for the remaining clarifiers will either be bid individually with each clarifier rehabilitation or may be bid together as a stand-alone project.

This project is on the 2019 Intended Use Plan and is eligible for low interest loan funding through the Clean Water State Revolving Fund administered by the Public Facilities Authority (PFA). The PFA loan will be for the total project amount.

The Operations Committee recommends that the WLSSD Board award Bid 1399 to Lakehead Constructors and approve Construction Phase Professional Services to Brown and Caldwell for the Secondary Clarifier Rehab Phase 1 Clarifier #3 Project.

MOTION: Member Manderfeld to award bid 1399 to Lakehead Constructors and approve Construction Phase Professional Services to Brown and Caldwell for the Secondary Clarifier Rehab Phase 1 Clarifier #3 Project

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

- c. **Approval of Screw Pump Improvements Phase 3: Pump 3 – Bid #1400**
Carrie Clement discussed bid #1400. In 2015, Donohue and Lakeside Equipment, the original equipment manufacturer (OEM) of the Screw Pumps, conducted a detailed condition assessment of the five screw pumps. The results of the condition assessment indicated that the screws themselves were at various degrees of deterioration. The recommendation was that all 5 screw pumps be replaced over a 5-year period.

Phase 1 of the Screw Pump Improvements project included facility improvements to the screw pump room and replacement of screw pump #2 and was completed in March of 2017. Phase 2 of the Screw Pump Improvement project included replacement of screw pumps 4 and 5 and was completed in March of 2018. Bid documents were assembled and advertised in April of 2019 for phase 3 of the Screw Pump Improvements Project.

The project will include removal and replacement of screw pump #3. The screw will be replaced with a stainless steel, three flight screw and will include new stainless steel deflector plate, new bearings, and grout.

Four bids were received and opened on May 7, 2019. WLSSD has reviewed the bids and recommend award to MN Mechanical Solutions as the lowest, responsive and responsible bidder.

The Operations Committee recommends that the WLSSD Board award Screw Pump Improvements: Phase 3 – Pump 3 - Bid #1400 to MN Mechanical Solutions.

MOTION: Member Podratz to award Screw Pump Improvements: Phase 3 – Pump 3 – Bid #1400 to MN Mechanical Solutions

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

d. **Resolution 19-07; Establishing Executive Director's Salary**

Member Manderfeld reviewed Resolution 19-07. The Executive Director's annual review and subsequent 2.75% merit and benefits package effective March 1, 2019. The Executive Director's annual review will be conducted on or before March 1st each year, the WLSSD Board will review these terms annually based upon the results of an annual performance evaluation.

The Personnel Committee recommends that the WLSSD Board approve Resolution 19-07; Establishing Executive Director's Salary.

MOTION: Member Janke to approve Resolution 19-07; Establishing Executive Director's Salary

SECOND: Member Aird

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

e. **Approval of Cloquet Pump Station Rehabilitation – Recommendation for Change Order to Bid #1383**

Carrie Clement presented the change order request. 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 late 1970's and a project to rehabilitate the pump station structure was awarded to Kaski in August 2018. Kaski started work in March and Lake Superior Consulting (LSC) has provided inspection and engineering consulting services during the work. Inspections have revealed additional work that needs to be completed to the pump station, resulting in a revised construction scope.

Ms. Clement reviewed the original and additional scopes of work for the project. In April 2019, the WLSSD Board approved a change order for the initial revised scope of work. The additional scope will include replacing masonry walls, additional bracing and additional coating. Additional engineering consulting fees are included in this requested change order and are estimated to total \$140,000.

WLSSD staff recommends the Board authorize staff to approve change orders to the Cloquet Pump Station Rehabilitation Project in the amount of \$150,000.

MOTION: Member Chelseth to authorize staff to approve change orders to the Cloquet Pump Station Rehabilitation project in the amount of \$150,000

SECOND: Member Janke

DISCUSSION: None

RESULT: The motion passed unanimously

3. **Committee Reports**

- a. Committee of the Whole – there was no meeting in May; no meeting is scheduled for June
- b. Finance – the minutes from the May meeting were reviewed; the next meeting is scheduled for Wednesday, June 19th
- c. Operations – the minutes from the May meeting were reviewed; the next meeting is scheduled for Tuesday, June 18th
- d. Personnel – the closed meeting was reviewed; there is no meeting scheduled for June
- e. Legislative – the minutes from the May meeting were reviewed; the next meeting is scheduled for Thursday, June 6th
- f. Planning/Solid Waste – the minutes from the May meeting were reviewed; the next meeting is scheduled for Tuesday, June 18th
- g. Board Governance – the minutes from the May meeting were reviewed; no meeting is scheduled for June
- h. Board Member Comments – none

4. **Executive Director Reporting**

a. **Communications**

Marianne Bohren reviewed the communications for the month of May.

Bygones from Duluth News Tribune regarding progress on sewer overflows from April 26, 1999

Bygones from Duluth News Tribune regarding Rice Lake Township residents charge that WLSSD is violating dumping permit from May 1, 1979

Email and Thank You from UMD's Intro to Environmental Engineering class for the tour and lab samples

Opinion Article from Duluth News Tribune entitled: "Consider all benefits of regulating mercury emissions"

Article from Duluth News Tribune entitled: "State leaders strike budget deal"

b. **Monthly Financials**

Cathy Remington reviewed the financials for the month of April.

Revenues

Total Wastewater Operating Revenues thru April were \$111,147 over budget or 101%; Industrial Revenues thru April were \$8,448 under budget or 100%; Operating Investment Earnings were \$56,604 over budget or 352%; Hauled Waste was \$62,301 over budget or 253%; Biosolids was \$4,166 over budget or 145%; Capacity Availability Fee was \$1,152 under budget or 98%; Other Miscellaneous revenues were \$2,324 under budget.

Wastewater Loadings

BOD is at 74,165 lbs/day which is 4,178 lbs/day under budget and TSS is at 39,960 lbs/day which is 1,719 lbs/day over budget thru April.

Expenses

Total Wastewater O&M Expenses thru April were \$143,812 under budget or 97%.

Direct Department

Direct Department Expenses thru April were \$114,914 under budget or 96%

Key areas to highlight: Payroll - \$5,324 over budget or 100%; Natural Gas - \$9,708 over budget or 113%; Electricity - \$83,106 under budget or 91%; Diesel - \$5,314 over budget or 119%; Repairs/Cleaning Interceptors - \$31,000 under budget; Contract Services - \$5,333 under budget or 76%; Supplies - \$8,936 over budget or 120%; Program Development - \$4,703 under budget or 6%; Chemicals - \$7,849 under budget or 98%. Chemical include: Sodium Hypochlorite/Bisulfite - \$23,787 under (59%); Polymers - \$18,135 over (108%); Ferric - \$1,757 over (105%); Defoamant - \$5,054 under (60%); Liquid Oxygen - \$0; Other Chemicals - \$1,100 over (109%)

Allocated Department Expenses

Total Allocated Department Expenses thru April were \$28,898 under budget or 99%.

Capital Investment Earnings

The Capital Investment Earnings are \$50,820 over budget or 310%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$83,527 over budget or 288%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$111,147 over budget thru April. Expenses are \$143,812 under budget; Capital/Debt Service Earnings are \$134,347 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru April is \$97,211.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$11,468,608 or 2 ¾ times the minimum targeted goal as of April 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 \$7,172,591 or \$5.16 million in excess of the minimum targeted goal as of April 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 215% as of April 30, 2019. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru April were \$68,746 over budget or 102%.

Transfer Station - \$58,940 over budget or 104%; Hauler Collected Fees (SWMF) - \$4,454 under budget or 99%; Material Recovery Center - \$13,838 over budget or 113%; Yard Waste/Organics - \$7,055 under budget or 68%; Household Hazardous Waste - \$1,798 under budget or 80%; Operating Investment Earnings - \$9,958 over budget or 349%; Miscellaneous - \$683 under budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru April were \$100,960 under budget or 97%.

Direct Department

Direct Department Expenses thru April were \$87,859 under budget or 96%.

Key areas to highlight: Payroll - \$60,769 under budget or 89%; Solid Waste Disposal - \$53,024 over budget or 104%; Contract Services- \$20,066 under budget or 88%; Supplies - \$3,617 under budget or 80%; Public Information - \$14,578 under budget or 58%; Rent-Equipment – \$2,533 under budget or 80%; Copying and Printing - \$9,008 under budget or 23%; Program Development - \$6,064 under budget or 58%.

Allocated Department

Allocated Department Expenses were \$13,101 under budget or 98% thru April.

Capital Fund

Capital Investment earnings - \$4,051 over budget or 181%; Capital Transfers – YTD 95%.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,318,045 or 2 times the minimum targeted goal as of April 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 \$797,715 or 1 ¼ times the minimum targeted goal as of April 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 \$382,651 or 2 ½ times the minimum targeted goal as of April 30, 2019. (Goal \$150,000 or better)

Solid Waste Summary

Total Solid Waste Operating Revenues are \$68,746 over budget thru April. Total Solid Waste Expenses are \$100,960 under budget. Capital transfers are \$7,000 under budget and Capital earnings \$4,051 over budget. The actual solid waste deficit thru April is \$72,051.

WLSSD Incentive Progress

Safety, Health and Wellness

Actual earned thru April - \$120; potential earning for 2019 - \$490.

Environmental and Community Stewardship

Actual earned thru April - \$15; potential earning for 2019 - \$555.

Operational Excellence

Total earned if year ended in April - \$105; potential earning for 2019 - \$600.

Fiscal Responsibility

Total earned if year ended in April - \$200; potential earning for 2019 - \$600.

Incentive Plan Summary

The actual earned year-to-date is \$135; YTD if year ended in April was \$860; the potential earning for 2019 is \$2,245.

c. **NPDES**

Joe Mayasich reviewed the NPDES report for April. Both the BOD and TSS limits were met for the month of April. The permit-specified mercury daily maximum and monthly average limits were both met; however the internal goal for the monthly average was not met. The disinfection season started April 1st; the disinfection limits were met for the month. The concentration- and massed-based limits for phosphorus were both met in April. There were no sewage releases in April.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 5:39 p.m.

Recording Secretary

Board Chair

Board Secretary