



AGENDA - REVISED
REGULAR BOARD MEETING
October 28, 2019
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated September 23, 2019
 - b. Payment Vouchers dated September 18, 2019 to October 22, 2019
 - c. Job Description Recommendation – Systems Administrator
4. **New Business Items for Discussion and Approval**
 - Solid Waste
 - a. Approval of Waste Management Solid Waste Recycling Facility Permit Renewal
 - Finance
 - b. Resolution 19-13; PFA Loan Agreement – Miscellaneous Interceptor Phase 2
 - c. Resolution 19-14; PFA Loan Agreement – Clarifier 3
 - d. Resolution 19-15; PFA Loan Agreement – Screw Pump Improvements
 - Other
 - e. Approval of 2020 Board Calendar
 - f. Resolution 19-16; Schedule of Monthly Board Meetings
 - g. Resolution 19-17; Authorization to Execute Agreement
 - h. Approval of Board Member vouchers for the month of September and Correction for October/November
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
October 28, 2019
5:00 p.m.

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

Board Members Absent: Dave Manderfeld

Staff Present: Karen Anderson, Al Parrella, Cathy Remington, Joe Mayasich, Marianne Bohren, 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 September 23, 2019
- b. Payment Vouchers dated September 18, 2019 to October 22, 2019
- c. Job Description Recommendation – Systems Administrator

MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

- a. **Approval of Waste Management Solid Waste Recycling Facility Permit**
Marianne Bohren reviewed the permit renewal. In December 2014, WLSSD approved a 5-year solid waste recycling facility permit for Waste Management's facility located at 1105 Port Terminal Drive in Duluth.

Prior to this, Waste Management was required to apply for and receive a Minnesota Pollution Control Agency (MPCA) Permit-by-Rule allowing the recycling facility operation. The City of Duluth reviewed the proposal and determined that it was a permitted use within the Unified Development Code.

The facility takes in single stream recycling and cardboard bales. The facility is not open to the general public and primarily is used to support the local Waste Management Duluth Hauling Company; the property is leased by the Duluth Seaway Port Authority. The material will be off loaded at the facility and loaded

into semi-trailers or compacted into a semi-trailer. The recyclable materials will then be transported offsite to a Mega Materials Recovery Facility (MRF) for further processing and baling. On any typical day, the number of trucks that enter the facility averages 14 - 18. Normal business hours are anticipated to be Mon. thru Sat. 7:00 am to 6:00 pm. Certificates of Insurance have been submitted showing the required coverage's per the ordinance.

The Planning/Solid Waste Committee recommends that the WLSSD Board approve of the Solid Waste Recycling Transfer Station application for renewal to the WLSSD Board.

MOTION: Member Boe to approve the Solid Waste Recycling Transfer Station application for renewal

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

- b. **Resolution 19-13; PFA Loan Agreement – Miscellaneous Interceptor Phase 2**
Cathy Remington discussed the resolution. This resolution allows WLSSD to obtain a loan from PFA to fund the project.

The Finance Committee recommends that the WLSSD Board approve Resolution 19-13; PFA Loan Agreement – Miscellaneous Interceptor Phase 2.

MOTION: Member Ness to approve Resolution 19-13; PFA Loan Agreement – Miscellaneous Interceptor Phase 2

SECOND: Member Boe

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

- c. **Resolution 19-14; PFA Loan Agreement – Clarifier 3**
Cathy Remington discussed the resolution. This resolution allows WLSSD to obtain a loan from PFA to fund the project.

The Finance Committee recommends that the WLSSD Board approve Resolution 19-14; PFA Loan Agreement – Clarifier 3

MOTION: Member Ness to approve Resolution 19-14; PFA Loan Agreement – Clarifier 3

SECOND: Member Janke

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

d. **Resolution 19-15; PFA Loan Agreement – Screw Pump Improvements - Phase 3**

Cathy Remington discussed the resolution. This resolution allows WLSSD to obtain a loan from PFA to fund the project.

The Finance Committee recommends that the WLSSD Board approve Resolution 19-15; PFA Loan Agreement – Screw Pump Improvements – Phase 3.

MOTION: Member Podratz to approve Resolution 19-15; PFA Loan Agreement – Screw Pump Improvements – Phase 3

SECOND: Member Lilly

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

e. **Approval of 2020 Board Calendar**

Marianne Bohren reviewed the calendar. Typically WLSSD Board meetings are held on the fourth Monday of the month. There is no meeting scheduled for July.

Staff recommends that the WLSSD Board approve the 2020 Board Calendar.

MOTION: Member Boe to approve the 2020 Board Calendar

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

f. **Resolution 19-16; Schedule of Monthly Board Meetings**

Marianne Bohren reviewed resolution 19-16. The WLSSD Regular Board Meetings are typically set for the fourth Monday of each month; however due to the MNDOT Twin Ports Interchange Project, the meetings for May through September are scheduled for the fourth Tuesday at 5:30 p.m. This is to help minimize the traffic impact during the busy event weekends in Duluth. During this time, the committee meetings will be limited to one Committee of the Whole meeting the Wednesday prior to the Regular Board meeting.

**Staff recommends that the WLSSD Board approve Resolution 19-16;
Schedule of Monthly Board Meetings.**

MOTION: Member Boe to approve Resolution 19-16; Schedule of Monthly Board Meetings

SECOND: Member Lilly

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

g. Resolution 19-17; Authorization to Execute Agreement

Marianne Bohren reviewed the resolution. As part of the Twin Ports Interchange Project, there will be relocation of WLSSD's West Interceptor as it crosses the highway at 26th Avenue West. Per the Relocation Agreement with MNDOT, WLSSD is asking the state to perform the work so that the state can better coordinate with the overall project. The state will bid the project and will invoice WLSSD after the work is completed.

**Staff recommends that the WLSSD Board approve Resolution 19-17;
Authorization to Execute Agreement.**

MOTION: Member Lilly to approve Resolution 19-17; Authorization to Execute Agreement

SECOND: Member Janke

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

**h. Approval of Board Member vouchers for the month of September and
Correction for October/November**

Cathy Remington discussed the vouchers and payment correction. The August and September Board Vouchers were overpaid to Board Members who attended more than one meeting per day. The overpayments will be corrected in the remaining months of 2019 by deducting the overpayment from the October, November and/or December meeting vouchers.

**Staff recommends that the WLSSD Board approve the Board Member
vouchers for the month of September and Correction for October/November.**

MOTION: Member Aird to approve the Board Member vouchers for the month of September and Correction for October/November

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. *Committee of the Whole* – the minutes from the September meeting were reviewed; the next meeting is scheduled for Wednesday, November 13th at 11:30 a.m.
- b. *Finance* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Wednesday, November 13th at 11:30 a.m.
- c. *Operations* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Wednesday, November 13th at 11:30 a.m.
- d. *Personnel* – there was no meeting in October and no meeting is scheduled for November
- e. *Legislative* – there was no meeting in October; Marianne Bohren reviewed the meeting with the Governor’s staff regarding WLSSD’s projects
- f. *Planning/Solid Waste* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Wednesday, November 13th at 11:30 a.m.
- g. *Board Governance* – there was no meeting in October and no meeting is scheduled for November
- h. *Board Member Comments* – none

4. Communications

a. Communications

Marianne Bohren reviewed the communications for the month of October.

Article from kdal610.com entitled: “Minnesota House bonding tour visits region”

Legislative Update from Sen. Rarick from mnsenaterepublicans.com

Article from businessnorth.com entitled: “Minnesota House committee members review area for bonding needs”

Article from resource-recycling.com entitled: “Pepsi: Better infrastructure needed on plastic recovery”

Opinion from Duluth News Tribune entitled: “Koneczny already a western Duluth leader”

Candidate Column from Duluth News Tribune entitled: “Lifetime of connections translates to success”

Letter to Craig Weingart, MPCA re: Notice of Violation 9/19/19

b. Monthly Financials

Cathy Remington reviewed the financials for the month of September.

Revenues

Total Wastewater Operating Revenues thru September were \$673,083 over budget or 103%; Industrial Revenues thru September were \$340,643 over budget or 103%; Operating Investment Earnings were \$120,348 over budget or 293%; Hauled Waste was \$145,707 over budget or 195%; Biosolids was \$795 over budget or 103%; Capacity Availability Fee was \$67,284 over budget or 137%; Other Miscellaneous revenues were \$1,694 under budget.

Wastewater Loadings

BOD is at 76,539 lbs/day which is 1,804 lbs/day under budget and TSS is at 43,749 lbs/day which is 5,508 lbs/day over budget thru September.

Expenses

Total Wastewater O&M Expenses thru September were \$694,688 under budget or 94%.

Direct Department

Direct Department Expenses thru September were \$577,811 under budget or 91%

Key areas to highlight: Payroll - \$54,368 under budget or 98%; Natural Gas - \$9,420 over budget or 111%; Electricity – \$426,431 under budget or 81%; Diesel - \$1,695 under budget or 97%; Repairs/Cleaning Interceptors - \$157,060 under budget or 3%; Contract Services – \$7,983 under budget or 87%; Supplies - \$9,542 under budget or 91%; Program Development - \$8,709 under budget or 21%; Chemicals - \$79,174 over budget or 108%. Chemicals include: Sodium Hypochlorite/Bisulfite - \$1,919 under (100%); Polymers - \$71,909 over (114%); Ferric - \$18,983 over (122%); Defoamant - \$7,644 under (72%); Liquid Oxygen - \$0; Other Chemicals - \$2,155 under (91%)

Allocated Department Expenses

Total Allocated Department Expenses thru September were \$116,877 under budget or 98%.

Capital Investment Earnings

The Capital Investment Earnings are \$100,664 over budget or 259%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$176,924 over budget or 236%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$673,083 over budget thru September. Expenses are \$694,688 under budget; Capital/Debt Service Earnings are \$277,588 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru September is \$1,371,156.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$12,148,558 or 2 ¾ times the minimum targeted goal as of September 30, 2019. (Goal 25% or better of 2020 budgeted O&M expenses - \$4,171,565)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$7,583,203 or \$5.22 million in excess of the minimum targeted goal as of September 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 218% as of September 30, 2019. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues thru September were \$120,755 over budget or 102%.

Transfer Station - \$42,273 over budget or 101%; Hauler Collected Fees (SWMF) - \$548 over budget or 100%; Material Recovery Center - \$84,937 over budget or 121%; Yard Waste/Organics - \$28,060 under budget or 80%; Household Hazardous Waste - \$2,036 under budget or 99%; Operating Investment Earnings - \$23,265 over budget or 359%; Miscellaneous - \$172 under budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru September were \$80,635 under budget or 99%.

Direct Department

Direct Department Expenses thru September were \$63,965 under budget or 99%.

Key areas to highlight: Payroll - \$11,948 over budget or 101%; Electricity - \$5,750 under budget or 70%; Solid Waste Disposal - \$37,632 under budget or 99%; Contract Services - \$3,396 over budget or 101%; Supplies - \$1,904 under

budget or 95%; Public Information - \$985 over budget or 101%; Rent-Equipment – \$7,642 over budget or 134%; Copying and Printing - \$646 over budget or 103%; Grants to Governmental Units - \$24,160 under budget or 85%; and Program Development - \$8,655 under budget or 71%.

Allocated Department

Allocated Department Expenses were \$16,670 under budget or 99% thru September.

Capital Fund

Capital Investment earnings - \$10,593 over budget or 194%; Capital Transfers – YTD 99%.

Solid Waste Summary

Total Solid Waste Operating Revenues are \$120,755 over budget thru September. Total Solid Waste Expenses are \$80,635 under budget. Capital transfers are \$4,063 under budget and Capital earnings \$10,593 over budget. The actual solid waste surplus thru September is \$104,338.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,628,241 or 2 times the minimum targeted goal as of September 30, 2019 (Goal 25% or better of 2020 budgeted non-Transfer Station O&M expenses - \$1,319,275)

Capital Fund Reserve Balance

The Solid Waste Capital Fund Reserve was at \$899,258 or 1 ½ times the minimum targeted goal as of September 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 \$387,203 or 2 ½ times the minimum targeted goal as of September 30, 2019. (Goal \$150,000 or better)

WLSSD Incentive Progress

Safety, Health and Wellness

Total earned for September - \$80; total earned year to date - \$385; potential earning for 2019 - \$490.

Environmental and Community Stewardship

Total earned for September - \$0; total earned year to date - \$45; potential earning for 2019 - \$465.

Operational Excellence

Total earned if year ended in September - \$145; potential earning for 2019 - \$285.

Fiscal Responsibility

Total earned if year ended in September - \$450; potential earning for 2019 - \$450.

Incentive Plan Summary

The actual total earned year-to-date is \$430; YTD if year ended in September was \$1,445; the potential earning for 2019 is \$1,735.

c. **NPDES**

Joe Mayasich reviewed the NPDES for September. Both the BOD and TSS limits were met for the month of September. 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 September. There were no sewage releases in September.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 5:52 p.m.

Recording Secretary

Board Chair

Board Secretary