



AGENDA  
REGULAR BOARD MEETING  
February 24, 2020  
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
  - a. Regular Board minutes dated January 27, 2020
  - b. Board Member vouchers for the month of January
  - c. Payment Vouchers dated January 22, 2020 to February 18, 2020
  - d. Sanitary Sewer Extension – UMD Student Housing
4. **New Business Items for Discussion and Approval**
  - a. Resolution 20-02; PFA Loan Application – Miscellaneous Forcemain Improvements (materials to be distributed at the meeting)
  - b. Resolution 20-03; PFA Loan Application – Hermantown Interceptor (materials to be distributed at the meeting)
  - c. Resolution 20-04; PFA Loan Application – Screw Pump Improvements Phase 4 (materials to be distributed at the meeting)
  - d. Resolution 20-05; PFA Loan Application – Building 11 Drive-thru (materials to be distributed at the meeting)
  - e. Approval of Sodium Hypochlorite (Bleach) Bid #1408
  - f. Approval of 2020 Biosolids Tandem Axel Truck
  - g. Approval of MRC Gate House and Entrance Grading Capital Improvement Project – Bid #1403 Recommendation to Award
  - h. Resolution 20-06; Establishing Executive Director’s Salary (materials to be distributed at the meeting)
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  
February 24, 2020  
5:00 p.m.

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

Board Members Absent: Marcia Podratz

Staff Present: Al Parrella, Marianne Bohren, Karen Anderson, Joe Mayasich, Cathy Remington, 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 January 27, 2020
- b. Board Member vouchers for the month of January
- c. Payment Vouchers dated January 22, 2020 to February 18, 2020
- d. Sanitary Sewer Extension – UMD Student Housing

MOTION: Member Manderfeld to approve the Consent Agenda Items

SECOND: Member Ness

DISCUSSION: None

RESULT: The motion passed unanimously

**2. New Business Items for Discussion and Approval**

- a. **Resolution 20-02; PFA Loan Application – Miscellaneous Forcemain Improvements**

Cathy Remington reviewed Resolution 20-02. This resolution allows WLSSD staff to apply for PFA funding for the Miscellaneous Forcemain Improvements project in the amount of \$2,000,000.

**The Committee of the Whole recommends that the WLSSD Board approve Resolution 20-02; PFA Loan Application – Miscellaneous Forcemain Improvements.**

MOTION: Member Manderfeld to approve Resolution 20-02; PFA Loan Application – Miscellaneous Forcemain Improvements

SECOND: Member Ness

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

- b. **Resolution 20-03; PFA Loan Application – Hermantown Interceptor**  
Cathy Remington reviewed Resolution 20-03. This resolution allows WLSSD staff to apply for PFA funding for the Hermantown Interceptor Improvements project in the amount of \$3,500,000.

**The Committee of the Whole recommends that the WLSSD Board approve Resolution 20-03; PFA Loan Application – Hermantown Interceptor.**

MOTION: Member Boe to approve Resolution 20-03; PFA Loan Application – Hermantown Interceptor

SECOND: Member Aird

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

- c. **Resolution 20-04; PFA Loan Application – Screw Pump Improvements Phase 4**  
Cathy Remington reviewed Resolution 20-04. This resolution allows WLSSD staff to apply for PFA funding for the Screw Pump Improvements Phase 4 project in the amount of \$600,000.

**The Committee of the Whole recommends that the WLSSD Board approve Resolution 20-04; PFA Loan Application – Screw Pump Improvements Phase 4.**

MOTION: Member Manderfeld to approve Resolution 20-04; PFA Loan Application – Screw Pump Improvements Phase 4

SECOND: Member Lilly

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

- d. **Resolution 20-05; PFA Loan Application – Building 11 Drive Thru**  
Cathy Remington reviewed Resolution 20-05. This resolution allows WLSSD staff to apply for PFA funding for the Building 11 Drive Thru project in the amount of \$503,000.

**The Committee of the Whole recommends that the WLSSD Board approve Resolution 20-05; PFA Loan Application – Building 11 Drive Thru.**

MOTION: Member Janke to approve Resolution 20-05; PFA Loan Application – Building 11 Drive Thru

SECOND: Member Boe

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

e. **Approval of Sodium Hypochlorite (Bleach) Bide #1408**

Al Parrella discussed bid #1408. Sodium hypochlorite (bleach) is used for effluent compliance from April through October each year. This chemical is purchased in bulk tank truck loads for 4,500 gallons each, and is delivered to (4) 15,000 gallon storage tanks in the disinfection building (building 23).

Bids were received and opened on February 7, 2020. Hawkins Water Treatment and DPC Industries are the closest manufacturers to WLSSD and have bid competitively over the years for this contract. Hawkins Water Treatment was the low bidder and provided sodium hypochlorite to the District in 2019. Hawkins Water Treatment's low bid represents a 9.61% decrease from the 2019 contract price and this bid is also 14.74% less than budgeted for 2020.

**The Committee of the Whole recommends that the WLSSD Board award the Sodium Hypochlorite Bid #1408 to Hawkins Water Treatment for supplying sodium hypochlorite during the 2020 disinfection season.**

MOTION: Member Ness to award the Sodium Hypochlorite Bid #1408 to Hawkins Waster Treatment for supplying sodium hypochlorite during the 2020 disinfection season

SECOND: Member Chelseth

DISCUSSION: None

RESULT: The motion passed unanimously

f. **Approval of 2020 Biosolids Tandem Axle Truck**

Al Parrella discussed the truck. Currently the Land Application department has four Mack trucks used to transport biosolids and field equipment. Truck #89 was purchased in 2013 has 276,000 miles and has had to have several sets on new injectors installed resulting in over \$76,000.00 in maintenance costs to date.

WLSSD staff looked at three different options from the Minnesota state contract. The Western Star cost is \$151,000.00 with the extended warranty and the hydraulic system installed. Staff chose the Western Star because it has the options we need and we think it's the better choice of the three trucks. Boyer has also quoted a trade in value of \$33,000.00 for truck #89 provided it meets a DOT inspection and has no check engine lights on at the time of the trade.

**The Committee of the Whole recommends that the WLSSD Board approve staff to purchase a new Western Star Tandem Axle Truck for \$151,000.00; less actual trade-in value received.**

MOTION: Member Manderfeld to approve staff to purchase a new Western Star Tandem Axle Truck for \$151,000.00; less actual trade-in value received

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

**g. Approval of MRC Gate House and Entrance Grading Capital Improvement Project – Bid #1403 Recommendation to Award**

Marianne Bohren presented the project. For the past several years District staff have been exploring options for improving traffic flow and circulation at the Materials Recovery Center (MRC). The current entrance layout creates traffic flow and operations restrictions due to the location of the existing scale and gatehouse. In 2019, WLSSD contracted with Northland Consulting Engineers to develop and design concepts for reconfiguring the entrance to improve circulation and produce construction drawings of the preferred alternative. The new entrance reconfiguration will provide two paved inbound traffic lanes (customer and contractor) for improved traffic flow and stacking space, customer pull off space for additional load assessment/assistance, additional space for staging a semi-truck for more efficient and safe electronics handling/loading and improvements to storm water drainage at the site.

The scope of the project includes demolition of the existing obsolete pit-scale, removal of the existing gatehouse that leaks water and is in need of repairs, site grading and bituminous pavement, pouring of a 10.5 x 12.5 foot concrete slab for placement of a new pre-fabricated gatehouse, replacement/upsizing of an existing culvert and fencing/gate modifications. The project was advertised for bids on January 23, 2020. Bids were opened at 2:00 p.m. on February 13, 2020. The lowest responsible and responsive bid received was from Northland Constructors.

All construction will need to be completed within three weeks from the start of construction and work must be completed on or before July 31, 2020. The contractor will be allowed to close the MRC for nine consecutive days (Sunday –

Monday) during the three week work period. A three week notification period will be required prior to starting work to allow District staff to notify the public of the closure of the facility.

**The Committee of the Whole recommends that the WLSSD Board award “Bid #1403 – Materials Recovery Center (MRC) Gate House and Entrance Grading” to Northland Constructors.**

MOTION: Member Lilly to award Bid #1403 – Materials Recovery Center (MRC) Gate House and Entrance Grading to Northland Constructors

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

**h. Resolution 20-06; Establishing Executive Director’s Salary**

Member Manderfeld reviewed Resolution 20-06. The Executive Director’s annual review and subsequent 3.5% annual merit increase, a market increase of \$7,000 and benefits package effective March 1, 2020. The Executive Director’s annual review will be conducted on or before March 1<sup>st</sup> 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 20-06; Establishing Executive Director’s Salary.**

MOTION: Member Chelseth to approve Resolution 20-06; Establishing Executive Director’s Salary

SECOND: Member Boe

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

**3. Committee Reports**

- a. *Committee of the Whole* – the minutes from the February meeting were reviewed; the next meeting is scheduled for Tuesday, March 17<sup>th</sup> at 11:30 a.m.
- b. *Finance* – the February Committee of the Whole minutes were reviewed; the next meeting is scheduled for Tuesday, March 17<sup>th</sup> at 11:30 a.m. as part of the Committee of the Whole Meeting
- c. *Operations* - the February Committee of the Whole minutes were reviewed; the next meeting is scheduled for Tuesday, March 17<sup>th</sup> at 11:30 a.m. as part of the Committee of the Whole Meeting

- d. *Personnel* – the February meeting was reviewed; no meeting is scheduled for March
- e. *Legislative* – there was no meeting in February; the next meeting is scheduled for Tuesday, March 10<sup>th</sup> at 11:30 a.m.
- f. *Planning/Solid Waste* - the February Committee of the Whole minutes were reviewed; the next meeting is scheduled for Tuesday, March 17<sup>th</sup> at 11:30 a.m. as part of the Committee of the Whole Meeting
- g. *Board Governance* – there was no meeting in February and no meeting is scheduled for March
- h. *Board Member Comments* – none

#### 4. **Executive Director Reporting**

##### a. **Communication**

Marianne Bohren reviewed the selected communications.

**Article** from wateronline.com entitled: “Minnesota Governor drops into sewer to promote \$300M infrastructure plan”

**Correspondence** from Great Lake Aquarium thanking WLSSD for supporting the H2O: Watersheds at Work exhibit

**Article** from businessnorth.com entitled: “Rising water slams Lake Superior communities”

**Article** from pineandlakes.com entitled: “Greater Minnesota coalition to tackle child care shortage, water infrastructure in 2020 session”

**Article** from resource-recycling.com entitled: “Paper and plastic export numbers take historic dive”

**Legal Notice** from Duluth New Tribune entitled: “Midway Township lateral lines and sump pump ordinance in keeping with the mandate of the WLSSD, this ordinance will take effect February 1, 2020”

**Article** from kbjr6.com entitled: “Bonding bill to take center stage for Northland lawmakers in 2020”

##### b. **Monthly Financials**

Cathy Remington reviewed the financials for the month of January.

##### **Revenues**

Total Wastewater Operating Revenues thru January were \$202,882 over budget or 109%; Industrial Revenues thru January were \$175,855 over budget or 114%; Operating Investment Earnings were \$3,881 over budget or 128%; Hauled Waste was \$20,360 over budget or 510%; Biosolids was \$2,514 under budget or 43%;

Capacity Availability Fee was \$3,804 over budget or 251%; Other Miscellaneous revenues were \$1,496 over budget.

***Wastewater Loadings***

BOD is at 85,728 lbs/day which is 7,729 lbs/day over budget and TSS is at 49,278 lbs/day which is 11,077 lbs/day over budget thru January.

***Expenses***

Total Wastewater O&M Expenses thru January were \$78,026 under budget or 95%.

***Direct Department***

Direct Department Expenses thru January were \$33,134 under budget or 96%

Key areas to highlight: Payroll - \$7,342 over budget or 102%; Natural Gas - \$9,622 under budget or 69%; Electricity – \$26,380 under budget or 89%; Diesel - \$650 over budget or 108%; Repairs/Cleaning Interceptors - \$1,263 under budget or 24%; Contract Services – \$1,898 under budget or 70%; Supplies - \$7,583 under budget or 34%; Program Development - \$295 under budget or 26%; Chemicals - \$7,579 over budget or 108%; Sodium Hypochlorite/Bisulfite - \$0 Polymers - \$8,609 over (112%); Ferric - \$5,621 over (150%); Defoamant - \$171 over (109%); Liquid Oxygen - \$2,830 under; Other Chemicals - \$3,992 under (2%).

***Allocated Department Expenses***

Total Allocated Department Expenses thru January were \$44,892 under budget or 94%.

***Capital Investment Earnings***

The Capital Investment Earnings are \$1,505 over budget or 110%.

***Capital Fund***

The Capital Fund Transfer is 100% year to date.

***Debt Service***

Debt Service Investment Earnings are \$586 over budget or 102%.

***Debt Service Transfer***

Debt service transfer is 100% year to date.

***Operations Revenue, Expense, and Surplus Summary***

The Wastewater Operations Revenue are \$202,882 over budget thru January. Expenses are \$78,026 under budget; Capital/Debt Service Earnings are \$2,091 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru January is \$80,016.



***Operations Fund Balance***

The Wastewater Operations Fund Balance was at \$13,367,218 or 3 times the minimum targeted goal as of January 31, 2020. (Goal 25% or better of 2020 budgeted O&M expenses - \$4,171,565)

***Capital Fund Reserve Balance***

The Wastewater Capital Fund Reserve was \$6,716,775 or \$4.30 million in excess of the minimum targeted goal as of January 31, 2020. (Goal \$1,000,000 plus highest annual WIF set aside of \$1,420,827)

***Debt Service Adjusted Fund Balance***

The Wastewater Debt Service Adjusted Fund Balance (including Georgia Pacific prepaid 2020-2027) was at 227% as of January 31, 2020. (Goal 120% or better)

**Solid Waste**

***Revenues***

Total Solid Waste Operating Revenues thru January were \$25,549 over budget or 104%.

Transfer Station - \$11,374 over budget or 103%; Hauler Collected Fees (SWMF) - \$17,854 over budget or 109%; Material Recovery Center - \$3,433 under budget or 86%; Yard Waste/Organics - \$20 over budget; Household Hazardous Waste - \$1,335 under budget or 36%; Operating Investment Earnings - \$994 over budget or 146%; Miscellaneous - \$75 over budget or 100%.

***Expenses***

Total Solid Waste O&M Expenses thru January were \$3,003 under budget or 100%.

***Direct Department***

Direct Department Expenses thru January were \$5,387 over budget or 101%.

Key areas to highlight: Payroll - \$18,196 under budget or 90%; Electricity - \$226 under budget or 91%; Solid Waste Disposal - \$18,594 over budget or 105%; Contract Services - \$5,785 under budget or 87%; Supplies - \$2,245 under budget or 32%; Public Information - \$8,077 over budget ; Rent-Equipment – \$313 under budget or 84%; Copying and Printing - \$5,588 over budget or 683%; and Program Development - \$205 under budget or 86%.

***Allocated Department***

Allocated Department Expenses were \$8,390 under budget or 96% thru January.

***Capital Fund***

Capital Investment earnings - \$9 under budget or 100%; Capital Transfers – YTD 92%.

***Solid Waste Summary***

Total Solid Waste Operating Revenues are \$25,549 over budget thru January. Total Solid Waste Expenses are \$3,003 under budget. Capital transfers are \$1,975 under budget and Capital earnings \$9 under budget. The actual solid waste deficit thru January is \$72,577.

***Operations Fund Balance***

The Solid Waste Operations Fund Balance was at \$2,658,280 or 2 times the minimum targeted goal as of January 31, 2020 (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 \$602,437 or 1 times the minimum targeted goal as of January 31, 2020. (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 \$195,921 or 2 times the minimum targeted goal as of January 31, 2020. (Goal \$150,000 or better)

***WLSSD Incentive Progress***

***Safety, Health and Wellness***

Total earned for January - \$40; total earned year to date - \$40; potential earning for 2020 - \$600.

***Environmental and Community Stewardship***

Total earned for January - \$0; total earned if year ended in January - \$345; potential earning for 2020 - \$525.

***Operational Excellence***

Total earned if year ended in January - \$165; potential earning for 2020 - \$600.

***Fiscal Responsibility***

Total earned if year ended in January - \$450; potential earning for 2020 - \$600.

***Incentive Plan Summary***

The actual total earned year-to-date is \$40; YTD if year ended in January was \$1,000; the potential earning for 2020 is \$2,325.

**c. NPDES**

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

monthly average limits were met; however the internal goals for December were not met. The disinfection season starts in April. The concentration and massed-based limits for phosphorus were both met in January. There were no sewage releases in January.

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

The meeting adjourned at 5:33 p.m.

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Recording Secretary

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Board Chair

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Board Secretary