



AGENDA  
REGULAR BOARD MEETING  
March 23, 2020  
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
  - a. Regular Board minutes dated February 24, 2020
  - b. Board Member vouchers for the month of February
  - c. Payment vouchers dated February 19, 2020 to March 17, 2020
  - d. Sanitary Sewer Extension – Westwood Circle (City of Duluth)
  - e. Job Description Recommendation – Environmental Program Coordinator
4. **New Business Items for Discussion and Approval**
  - a. Approval of EPAM Polymer Purchase Agreement, Bid #1398
  - b. Approval of Building 9 Security Improvements, Bid #1405 – Recommendation to Award
  - c. Approval of Board Meeting Schedule Change
  - d. Resolution 20-07; Amendment to Remote Participation Policy
  - e. Approval of Ferric Chloride Bid #1409
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  
March 23, 2020  
5:00 p.m.

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

Board Members Absent: Ruth Janke

Staff Present: Marianne Bohren

Staff Present via teleconference: Al Parrella, Carrie Clement, Cathy Remington, Joe Mayasich, and Karen Anderson

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

Marianne Bohren called the meeting to order at 5:00 p.m.

Mr. David Oberstar suggested to approve Resolution 20-07; Amendment to Remote Participation Policy. This resolution allows WLSSD to hold all meetings via electronic means during the COVID-19 pandemic with no Board Members physically in attendance.

**Staff recommends that the WLSSD Board approve Resolution 20-07; Amendment to Remote Participation Policy.**

MOTION: Member Manderfeld to approve Resolution 20-07; Amendment to Remote Participation Policy

SECOND: Member Boe

DISCUSSION: None

RESULT: The resolution passed with 8 ayes and 1 absent

**1. Approval of Consent Agenda Items**

- a. Regular Board minutes dated February 24, 2020
- b. Board Member vouchers for the month of February
- c. Payment vouchers dated February 19, 2020 to March 17, 2020
- d. Sanitary Sewer Extension – Westwood Circle (City of Duluth)
- e. Job Description Recommendation – Environmental Program Coordinator

MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed with 8 ayes and 1 absent

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

**a. Approval of EPAM Polymer Purchase Agreement Extension**

Al Parrella discussed the purchase agreement. Cationic (positively charged) organic flocculent (EPAM polymer) is used for dewatering anaerobically digested sludge in the District's two centrifuges. EPAM is currently delivered via 45,000 lb. bulk tanker trucks every 3-4 weeks and ships directly from the SNF Polydyne manufacturing facility in Riceboro, GA.

In the spring of 2019, WLSSD went out for bids and entered into a contract with Polydyne, Inc. for the purchase and delivery of EPAM from May 1, 2019 to April 30, 2020. The term of the agreement allowed for two 6 month extension; Polydyne has agreed to extend the current agreement for a period of one year at an increased rate of \$1.05/lb delivered or 2.3%. The District has budgeted a 7.5% increase starting in June 2020.

**Based upon the information, the Committee of the Whole recommends that the WLSSD Board approve both 6 month extensions at the increased rate with Polydyne, Inc. for the purchase and delivery of EPAM polymer, as stipulated as an option in the current contract.**

MOTION: Member Manderfeld to approve both 6 month extensions at the increased rate with Polydyne, Inc. for the purchase and delivery of EPAM polymer, as stipulated as an option in the current contract

SECOND: Member Lilly

DISCUSSION: None

RESULT: The motion passed with 8 ayes and 1 absent

**b. Approval of Building 9 Security Improvements, Bid #1405 – Recommendation to Award**

Carrie Clement presented the recommendation. WLSSD staff has evaluated security improvements at the Courtland Street and remote facilities. The improvements evaluated include access control, remote monitoring and physical site modifications (fencing, paving, etc.). The improvements have been incorporated into the 10-year capital improvement plan, with consideration of priority and coordination with other capital improvement projects. Access control and separating public and employee spaces in the administration building was identified as the first priority, along with planned technology improvements to the public spaces (Board Room).

The scope of work includes modifying doors for access control, modifying some door locations, modifying the reception and lobby configuration, and installing new audio-visual equipment in the Board Room.

The project was advertised for bids on February 11, 2020; bids were received and opened on March 10, 2020. The lowest responsible and responsive bid was received from Max Gray Construction, Inc.

The schedule of work is based on a contract award in April 2020 and delivery of products to the Contractor for off-site storage in July 2020. Construction is anticipated between July and October 2020.

**The Committee of the Whole recommends that the WLSSD Board award bid #1405 – Admin Building 9 Security Improvements to Max Gray Construction.**

MOTION: Member Chelseth to award bid #1405 – Admin Building 9 Security Improvements Max Gray Construction

SECOND: Member Aird

DISCUSSION: Member Manderfeld asked if the lighting in the Board Room would be updated as well. Ms. Clement said that lighting updates are included in the project.

RESULT: The motion passed with 8 ayes and 1 absent

c. **Approval of Board Meeting Schedule Change**

Marianne Bohren discussed the revised calendar. The Minnesota Department of Transportation Twin Ports Interchange Project, that would include the closure of the 27<sup>th</sup> Avenue West overpass, has been postponed for 2020.

**Due to this change, the Committee of the Whole is recommending changing the May thru September Board Meetings back to Mondays at 5:00 p.m.**

MOTION: Member Thomsen to approve the Board Meeting Schedule Change

SECOND: Member Podratz

DISCUSSION: Member Cheseth indicated that the Minnesota Legislature is expected to reconvene on April 14<sup>th</sup> and should that happen, a Legislative Committee meeting should be scheduled in the latter part of the month.

RESULT: The motion passed with 8 ayes and 1 absent

d. **Approval of Ferric Chloride Bid #1409**

Al Parrella discussed bid #1409. Ferric chloride is used in the anaerobic sludge digestion process in building 19, primarily to control the levels of hydrogen sulfide in the digester gas. It can also be used to precipitate phosphorus, reduce polymer use, and control biosolids odors.

Regional factors limit the number of vendors available to the WLSSD for this particular product, however, Hawkins Water Treatment Group and PVS Technologies have competitively bid for the Ferric Chloride contract over the past few years. The current contracted price of ferric chloride for WLSSD is \$623.00, which would make the 2020 low bid price approximately 9.55% higher than the previous year's cost and over the budgeted increase of 3.5%. The estimated use of Ferric Chloride for 5/1/20 – 4/30/21 is 200 dry tons.

**Based on the results above, WLSSD staff recommends awarding this bid to Hawkins Water Treatment Group for a period of twelve (12) months.**

MOTION: Member Boe to award this bid to Hawkins Water Treatment Group for a period of twelve (12) months

SECOND: Member Aird

DISCUSSION: Member Lilly asked if the chemicals are still within budget. If not, could funds be transferred from another budget to balance the chemicals? Al explained that currently WLSSD is over budget due to loading being over budget; the bleach bid came in under budget, however the extra month running disinfection will cancel out any savings there. Marianne stated that WLSSD is unable to transfer funds from one budget item to another, all chemicals come out of the Clean Water Production budget. Marianne also said that at this time it is not concerning that the chemicals are over budget.

RESULT: The motion passed with 8 ayes and 1 absent

3. **Committee Reports**

- a. *Committee of the Whole* – the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- b. *Finance* – the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- c. *Operations* - the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- d. *Personnel* - the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- e. *Legislative* - the minutes from the March 10<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.

- f. *Planning/Solid Waste* - the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- g. *Board Governance* - the minutes from the March 17<sup>th</sup> meeting were reviewed. Currently there are no meetings scheduled for April, this could change depending on needs.
- h. *Board Member Comments* - none

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

##### a. **Communications**

Marianne Bohren gave an update on the COVID-19 plan. Currently there is minimal staffing at the main plant; many employees are working from home until further notice. Currently the mechanical and electrical maintenance staff are full onsite; however management is looking at the ability to rotate staff to adhere to the social distancing guidelines. The operators already work on a rotating shift so there isn't a need to adjust their schedules; the operators in Process Control are able to utilize vacant offices to keep with social distancing as well. MIS staff is busy setting up computers for staff who will be working remotely and the extra Microsoft Surfaces may be used for Board Members when this situation ends. Marianne is very thankful that the WLSSD Employee's Union is being very flexible with this situation and working arrangements.

Marianne also gave a brief update on plant operations. The plant is running well, hoping for a slow snow melt this year. The old cooling towers will be coming down soon, and WLSSD phone staff will be participating in a phone interview with the Duluth News Tribune.

Member Chelseth also noted that Sen. Klobuchar's husband is hospitalized with COVID-19 and the MN Governor has been exposed and is now self-quarantined at home.

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

Cathy Remington reviewed the financials for the month of February.

##### ***Revenues***

Total Wastewater Operating Revenues thru February were \$466,471 over budget or 110%; Industrial Revenues thru February were \$389,808 over budget or 115%; Operating Investment Earnings were \$7,516 over budget or 128%; Hauled Waste was \$43,370 over budget or 275%; Biosolids was \$5,411 under budget or 30%; Capacity Availability Fee was \$29,698 over budget or 303%; Other Miscellaneous revenues were \$1,490 under budget.

##### ***Wastewater Loadings***

BOD is at 87,840 lbs/day which is 10,041 lbs/day over budget and TSS is at 50,476 lbs/day which is 12,275 lbs/day over budget thru February.

***Expenses***

Total Wastewater O&M Expenses thru February were \$130,381 under budget or 95%.

***Direct Department***

Direct Department Expenses thru February were \$64,487 under budget or 96%

Key areas to highlight: Payroll - \$5,133 over budget or 101%; Natural Gas - \$14,188 under budget or 76%; Electricity – \$66,262 under budget or 86%; Diesel - \$1,080 under budget or 93%; Repairs/Cleaning Interceptors - \$2,930 under budget or 12%; Contract Services – \$9,117 under budget or 38%; Supplies - \$13,509 under budget or 44%; Program Development - \$1,027 under budget or 27%; Chemicals - \$35,227 over budget or 121%. Chemical include: Sodium Hypochlorite/Bisulfite - \$0 Polymers - \$29,562 over (123%); Ferric - \$9,644 over (147%); Defoamant - \$1,322 over (134%); Liquid Oxygen - \$740 over (113%); Other Chemicals - \$6,041 under (15%).

***Allocated Department Expenses***

Total Allocated Department Expenses thru February were \$65,894 under budget or 95%.

***Capital Investment Earnings***

The Capital Investment Earnings are \$2,500 over budget or 109%.

***Capital Fund***

The Capital Fund Transfer is 100% year to date.

***Debt Service***

Debt Service Investment Earnings are \$824 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 \$389,808 over budget thru February. Expenses are \$130,381 under budget; Capital/Debt Service Earnings are \$3,324 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru February is \$379,901.

***Operations Fund Balance***

The Wastewater Operations Fund Balance was at \$13,519,855 or 3 ¼ times the minimum targeted goal as of February 29, 2020. (Goal 25% or better of 2020 budgeted O&M expenses - \$4,171,565)

### ***Capital Fund Reserve Balance***

The Wastewater Capital Fund Reserve was \$6,666,798 or \$4.25 million in excess of the minimum targeted goal as of February 29, 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 February 29, 2020. (Goal 120% or better)

### **Solid Waste**

#### ***Revenues***

Total Solid Waste Operating Revenues thru February were \$60,435 over budget or 105%; Transfer Station - \$36,771 over budget or 105%; Hauler Collected Fees (SWMF) - \$18,885 over budget or 105%; Material Recovery Center - \$2,176 over budget or 105%; Yard Waste/Organics - \$23 over budget; Household Hazardous Waste - \$157 over budget or 106%; Operating Investment Earnings - \$1,742 over budget or 140%; Miscellaneous - \$681 over budget or 100%.

#### ***Expenses***

Total Solid Waste O&M Expenses thru February were \$71,589 under budget or 95%.

#### ***Direct Department***

Direct Department Expenses thru February were \$36,292 under budget or 97%.

Key areas to highlight: Payroll - \$36,000 under budget or 88%; Electricity - \$355 under budget or 93%; Solid Waste Disposal - \$25,044 over budget or 104%; Contract Services - \$22,089 under budget or 75%; Supplies - \$5,672 under budget or 44%; Public Information - \$4,487 over budget or 193%; Rent-Equipment - \$2,313 under budget or 42%; Copying and Printing - \$4,031 over budget or 236%; and Program Development - \$2,340 under budget or 38%.

#### ***Allocated Department***

Allocated Department Expenses were \$35,297 under budget or 90% thru February.

#### ***Capital Fund***

Capital Investment earnings - \$145 under budget or 97%; Capital Transfers – YTD 97%.

#### ***Solid Waste Summary***

Total Solid Waste Operating Revenues are \$60,435 over budget thru February. Total Solid Waste Expenses are \$71,589 under budget. Capital transfers are \$1,561 under budget and Capital earnings \$145 under budget. The actual solid waste deficit thru February is \$37,197.

***Operations Fund Balance***

The Solid Waste Operations Fund Balance was at \$2,564,548 or 2 times the minimum targeted goal as of February 29, 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 \$603,221 or 1 times the minimum targeted goal as of February 29, 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 \$296,257 or 2 times the minimum targeted goal as of February 29, 2020. (Goal \$150,000 or better)

c. **NPDES**

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

5. Legal Report – none

6. Board Member Comments – Member Lilly asked if WLSSD has provided any public information regarding the dangers of flushing anything other than toilet paper down the sewer. Karen Anderson stated that WLSSD has sent out a news release about the dangers of flushing anything other than toilet paper, especially products labeled as flushable wipes. The WLSSD collection system operators are regularly checking the system for issues.

MOTION: Member Aird to adjourn the meeting

SECOND: Member Lilly

DISCUSSION: None

RESULT: The motion passed with 7 ayes and 2 absents

The meeting adjourned at 5:40 p.m.

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Recording Secretary

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Board Chair

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Board Secretary