



AGENDA
REGULAR BOARD MEETING
October 24, 2022
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated September 26, 2022
 - b. Board Member vouchers for the month of September
 - c. Payment vouchers dated September 21, 2022 to October 18, 2022
 - d. Sanitary Sewer Extension – Carlton County Justice Center (Twin Lakes Township)
 - e. IT Specialist II Job Description
4. **New Business Items for Discussion and Approval**
 - Governance
 - a. Approval to Waive Notice Provisions of Current WLSSD Board of Directors Bylaws
 - b. Approval of Revised WLSSD Board of Directors Bylaws
 - c. Approval of 2023 Board Meeting Calendar
 - Operations & Planning
 - d. Approval of Thickener and Odorous Air Improvements Project – Bid #1455
 - Finance
 - e. Resolution 22-16; PFA Loan Agreement – Combined Heat and Power Project (*materials to be distributed at the meeting*)
 - f. Resolution 22-17; PFA Loan Agreement – Carlton Pump Station Reconstruction Project (*materials to be distributed at the meeting*)
5. **Committee Reports**
 - a. Committee of the Whole
 - b. Finance
 - c. Operations and Planning
 - d. Personnel
 - e. Legislative
 - f. Board Governance
 - g. 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 24, 2022
5:00 p.m.

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

Staff Present: Marianne Bohren, Cathy Remington, Brandon Kohlts, Julie Macor, Nathan Hartman, AJ Axtell, Bev Culver, and Amanda MacDonald

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

Chair Ness called the meeting to order at 5:00 p.m.

1. Approval of Consent Agenda Items

- a. Regular Board minute dated September 26, 2022
- b. Board Member vouchers for the month of September
- c. Payment vouchers dated September 21, 2022 to October 18, 2022
- d. Sanitary Sewer Extension – Carlton County Justice Center (Twin Lakes Township)

MOTION: Member Boe to approve the Consent Agenda Items

SECOND: Member Janke

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

- a. **Approval to Waive Notice Provisions of Current WLSSD Board of Directors Bylaws**

Marianne Bohren explained that WLSSD staff and legal counsel have updated the Board Bylaws and recommend that the WLSSD Board of Directors waive the 10-day notice period for any changes to the bylaws. This change would allow any future updates made to the bylaws to be included in the Regular Board Meeting packet as is standard practice for all other items requiring Board action.

The Governance Committee recommends that the WLSSD Board Waive Notice Provisions of Current WLSSD Board of Directors Bylaws.

MOTION: Member Thomsen to Waive the Notice Provisions of Current WLSSD Board of Directors Bylaws

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

b. **Approval of Revised WLSSD Board of Directors Bylaws**

Marianne Bohren discussed the bylaw revisions. WLSSD received a public data request for WLSSD's Board of Directors Bylaws; the last update of the bylaws was done in 2003. Marianne reviewed the revisions made. The most significant revisions were in regards to Board Meetings; WLSSD Regular Board meetings currently are generally held on the fourth Monday of each month and may be conducted remotely by interactive technology if permitted by Minnesota Law, and Special Meetings require notice written, printed or by electronic means stating the date, location and time for the special meeting.

The Governance Committee recommends that the WLSSD Board approve the Revised WLSSD Board of Directors Bylaws.

Member Thomsen noted that Section D. Disbursements, specifically the per diem allowance, does not reflect the current standard practice for WLSSD Board Member per diem payments. Currently, Board Members are compensated \$50 for each board and committee meeting they attend each month, except where there were multiple meetings held on the same day. David Oberstar agreed that this section should be updated to reflect the current practice for board member compensation and recommends that the WLSSD Board approve the revised bylaws with the amendment to the board compensation section.

MOTION: Member Thomsen to approve the Revised WLSSD Board of Directors Bylaws with the Amendment to the Board Member Compensation section

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

c. **Approval of 2023 Board Meeting Calendar**

Marianne Bohren reviewed the calendar. This calendar sets the Board Meetings for the upcoming year.

The Governance Committee recommends that the WLSSD Board approve the 2023 Board Meeting Calendar.

MOTION: Member Boe to approve the 2023 Board Meeting Calendar

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

d. **Approval of Thickener and Odorous Air Improvements Project – Bid #1455**

Nate Hartman presented bid #1455. In July 2020, Donohue & Associates was hired for preliminary design of rehabilitation and replacement of the Dissolved Air Flootation Thickeners (DAFT) and the odorous air blowers. The final design started in October 2021, with MPCA approval of plans and specs for Clean Water Revolving Funds in June 2022.

The Dissolved Air Flootation Thickeners (DAFTs) thicken sludge from the clarifier settling tanks to the digesters. The sludge needs to be thickened to maintain regulatory required hydraulic detention times for biosolids land application. The existing DAFTs are at the end of their life and three rotary drum thickeners will replace the four existing DAFTs; the rotary drum thickeners use less energy and have less maintenance expenses.

Odorous air from the thickeners and other critical areas of the plant is sent to the biofilters using three 50-hp biofilter fans. These fans are over 20 years old, difficult to service, and are maintenance intensive. Downtime on any of the fans results in less than designed airflows and the potential for an increase in toxic gases and odors at the plant. The project includes construction of a new odorous air blower room, replacements of blowers with upsized blowers with VFDs and installation of filters/mist eliminators for droplet damage protection and new electrical distribution equipment.

Bids were received and opened on October 13, 2022. The low bidder was Shank Constructors. Final completion of the project is June 2024.

Nate also discussed the difference in the engineer's estimate and the project bids. After discussion with the project consultant, the bulk of the total cost overage is due to electrical labor costs of the project.

The Operations & Planning Committee recommends that the WLSSD Board award bid #1455 to Shank Constructors, Inc. and approve construction phase professional services to Donohue & Associates for the Thickening and Odorous Air Improvements Project.

MOTION: Member Thomsen to award bid #1455 to Shank Constructors, Inc. and approve construction phase professional services to Donohue & Associates

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

e. **Resolution 22-16; PFA Loan Agreement – Combined Heat and Power Project**

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

Staff recommends that WLSSD Board approve Resolution 22-16; PFA Loan Agreement – Combined Heat and Power Project.

MOTION: Member Aird to approve Resolution 22-16; PFA Loan Agreement – Combined Heat and Power Project

SECOND: Member Manderfeld

DISCUSSION: None

RESULT: The resolution passed with 9 ayes

f. **Resolution 22-17; PFA Loan Agreement - Carlton Pump Station Reconstruction Project**

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

Staff recommends that WLSSD Board approve Resolution 22-17; PFA Loan Agreement – Carlton Pump Station Reconstruction Project.

MOTION: Member Janke to approve Resolution 22-17; PFA Loan Agreement – Carlton Pump Station Reconstruction Project

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed with 9 ayes

3. **Committee Reports**

- a. *Committee of the Whole* - the minutes from the September meeting were reviewed; no meeting is scheduled for November
- b. *Finance* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Wednesday, November 16th at 11:30 a.m.
- c. *Operations & Planning* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Tuesday, November 15th at 11:30 a.m.

- d. *Personnel* – the minutes from the October meeting were reviewed; the next meeting is scheduled for Wednesday, November 16th at 11:30 a.m.
- e. *Legislative* – there was no meeting in October; the next meeting is scheduled for Tuesday, November 29th at 11:30 a.m.
- f. *Board Governance* – the Board Strategic Planning Session is scheduled for Monday, May 22, 2023
- g. *Board Member Comments* – Chair Ness congratulated WLSSD staff on the successful Celebration of the 50th Anniversary of the Clean Water Act. The event was attended by approximately 125 people and was full of tours, games, prizes, and educational displays for adults and kids.

4. **Executive Director Reporting**

a. **Communications**

Marianne Bohren reviewed the communications for the month of October.

WLSSD News Release “WLSSD Board Approves 2023 Budgets”

WLSSD News Release “WLSSD Invites the Community to Celebrate the 50th Anniversary of the Clean Water Act”

Article: Proctor Journal, entitled: “Van smashes into WLSSD metering station”

Letter: from grateful tourist lost in the TPI road construction

b. **Monthly Financials**

Cathy Remington reviewed the financials for the month of September.

Revenues

Total Wastewater Operating Revenues through September were \$2,388,956 over budget or 112%; Industrial Revenues through September were \$2,041,865 over budget or 119%; Operating Investment Earnings were \$42,899 over budget or 348%; Miscellaneous Revenue was \$304,192 over budget or 149%.

Miscellaneous revenue includes: Hauled Waste was \$49,962 over budget or 111%; Biosolids was \$2,644 over budget or 112%; Capacity Availability Fee was \$232,316 over budget or 246%; and Other Miscellaneous revenues were \$19,270 over budget.

Wastewater Loadings

BOD is at 75,281 lbs/day which is 13,317 lbs/day over budget and TSS is at 55,871 lbs/day which is 16,097 lbs/day over budget through September.

Expenses

Total Wastewater O&M Expenses through September were \$71,340 under budget or 99%.

Direct Department

Direct Department Expenses through September were \$231,853 over budget or 103%

Key Areas to Highlight: Payroll - \$63,291 under budget or 98%; Natural Gas - \$104,719 over budget or 199%; Electricity – \$405,190 over budget or 118%; Diesel - \$35,301 over budget or 153%; Water/Storm Water - \$3,459 over budget or 102%; Repairs/Cleaning Interceptors - \$88,165 under budget or 38%; Contract Services – \$183,462 under budget or 17%; Supplies - \$21,340 under budget or 81%; Grants to Governmental Units - \$9,450 under budget; Program Development - \$8,977 under budget or 6%; Chemicals - \$73,420 over budget or 105%. Chemicals include: Sodium Hypochlorite/Bisulfite - \$172,836 over budget or 144%; Polymers - \$43,280 under budget or 93%; Ferric - \$80,940 under budget or 67%; Defoamant - \$17,405 over budget 144%; Liquid Oxygen - \$6,302 over budget or 177%; Other Chemicals - \$1,097 over budget or 104%.

Allocated Department Expenses

Total Allocated Department Expenses through September were \$303,193 under budget or 95%.

Capital Investment Earnings

The Capital Investment Earnings are \$20,776 over budget or 230%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$62,688 over budget or 332%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$2,388,956 over budget through September. Expenses are \$71,340 under budget; Capital/Debt Service Earnings are \$83,464 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus through September is \$1,377,602.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$17,093,310 or 3 ¼ times the minimum targeted goal as of September 30, 2022. (Goal 25% or better of 2023 budgeted O&M expenses - \$5,094,319)

Capital Fund Reserve Balance

The Wastewater Capital Fund Reserve was \$9,806,517 or \$7.39 million in excess of the minimum targeted goal as of September 30, 2022. (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 2023-2027) was at 295% as of September 30, 2022. (Goal 120% or better)

Solid Waste

Revenues

Total Solid Waste Operating Revenues through September were \$71,982 over budget or 101%.

Transfer Station - \$54,992 under budget or 99%; Hauler Collected Fees (SWMF) - \$109,817 over budget or 105%; Material Recovery Center - \$34,989 under budget or 93%; Yard Waste/Organics - \$1 under budget or 100%; Household Hazardous Waste - \$20,181 under budget or 91%; Operating Investment Earnings - \$6,872 over budget or 283%; Miscellaneous - \$65,456 over budget or 106%.

Expenses

Total Solid Waste O&M Expenses through September were \$75,014 over budget or 101%.

Direct Department

Direct Department Expenses through September were \$95,656 over budget or 101%.

Key Areas to Highlight: Payroll - \$30,905 under budget or 98%; Electricity - \$4,111 over budget or 127%; Natural Gas - \$689 over budget or 116%; Diesel - \$5,136 over budget or 155%; Solid Waste Disposal - \$257,070 over budget or 106%; Contract Services- \$82,956 under budget or 87%; Supplies - \$11,804 under budget or 74%; Public Information - \$16,207 under budget or 79%; Rent-Equipment – \$10,121 under budget or 73%; Land Lease – Duluth Airport Authority - \$328 over budget or 104%; Copying and Printing - \$987 over budget or 105%; Grants to Governmental Units - \$7,072 over budget or 104%; Program Development - \$22,497 under budget or 14%.

Allocated Department

Allocated Department Expenses were \$20,642 under budget or 99% through September.

Capital Fund

Capital Investment earnings - \$5,109 under budget or 55%; Capital Transfers – YTD 94%.

Solid Waste Summary

Total Solid Waste Operating Revenues are \$71,982 over budget through September. Total Solid Waste Expenses are \$75,014 over budget. Capital transfers are \$20,687 under budget and Capital earnings \$5,109 under budget. The actual solid waste deficit through September is \$352,015.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,380,005 or 1 ½ times the minimum targeted goal as of September 30, 2022 (Goal 25% or better of 2023 budgeted non-Transfer Station O&M expenses - \$1,467,587)

Capital Fund Reserve Balance

The Solid Waste Capital Fund Reserve was at \$706,823 or 1 ¼ times the minimum-targeted goal as of September 30, 2022. (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 \$240,548 or 1 ½ times the minimum-targeted goal as of September 30, 2022. (Goal \$150,000 or better)

WLSSD Incentive Progress

Safety, Health and Wellness

Total earned for September - \$30; total earned year to date - \$390; potential earning for 2022 - \$600.

Environmental and Community Stewardship

Total earned if year ended in September - \$480; total earned year to date - \$60; potential earning for 2022 - \$525.

Operational Excellence

Total earned if year ended in September - \$265; potential earning for 2022 - \$600.

Fiscal Responsibility

Total earned if year ended in September - \$400; potential earning for 2022 - \$600.

Incentive Plan Summary

The actual total earned year-to-date is \$450; YTD if year ended in September was \$1,535; the potential earning for 2022 is \$2,325.

c. NPDES

Julie Macor presented the NPDES report for the month of September. Both the BOD and TSS limits were met for the month. The permit-specified mercury daily maximum and monthly average limits were met and internal goals were met in September. The disinfection season started in April and the bacteria limits were

met for the month of September. The concentration and massed-based limits for phosphorus were both met in September. There were no sewage releases for the month; there have been 5 total reported by WLSSD through September.

5. Legal Counsel – no report

6. Executive Session – none

The meeting adjourned at 5:41 p.m.

Recording Secretary

Laura Ness, Board Chair

Julene Boe, Board Secretary