



**AGENDA - REVISED**  
**REGULAR BOARD MEETING**  
February 27, 2023  
4:15 p.m.

1. **Executive Session (staff excused)**
  - a. Approval of Closed Executive Session
2. **Agenda Review**
3. **Old Business**
4. **Approval of Consent Agenda Items**
  - a. Regular Board minutes dated January 30, 2023
  - b. Board Member vouchers for the month of January
  - c. Payment vouchers dated January 25, 2023 to February 21, 2023
  - d. Approval of Lead Facilities Operator Job Description
  - e. Approval of Senior Facilities Operator Job Description
  - f. Approval of Facilities Operator Job Description
5. **New Business Items for Discussion and Approval**
  - Operations & Planning
    - a. Approval of Wastewater Comprehensive Plan
    - b. Approval of Dry Polyacrylamide (DPAM) Flocculant Polymer Agreement – Bid #1462
    - c. Resolution 23-05; Settlement Agreement – Scanlon Phase 4 Interceptor Project
  - Finance
    - d. Resolution 23-06; PFA Loan Agreement – Thickener and Odorous Air Improvements Project
    - e. Resolution 23-07; Dues for Area Chambers of Commerce
    - f. Approval of ERP and Asset Management System Upgrades
  - Personnel
    - g. Resolution 23-08; Establishing Executive Director Salary  
(*materials to be distributed at the meeting*)
  - Other
    - h. Approval of Strategic Planning Session Date
    - i. Approval of Ferric Chloride – Bid #1465
6. **Committee Reports**
  - a. Committee of the Whole
  - b. Finance
  - c. Operations and Planning
  - d. Personnel
  - e. Legislative
  - f. Board Governance
  - g. Board Member Comments
7. **Executive Director Reporting**
  - a. Communications
  - b. Monthly Financials
  - c. NPDES
8. **Legal Counsel**



MINUTES  
REGULAR BOARD MEETING  
February 27, 2023  
4:15 p.m.

Board Members Present: Rob Schilling, Loren Lilly, Laura Ness, Marcia Podratz, Jim Aird, Jack Ezell, and Paul Thomsen

Board Members Absent: Julene Boe and Dave Manderfeld

Staff Present: Marianne Bohren, Cathy Remington, Brandon Kohlts, Julie Macor, and Amanda MacDonald

Legal Present: David Oberstar and Joe Mihalek – Fryberger, Buchanan, Smith & Frederick, and Monte Mills – Greene Espel

Chair Ness called the meeting to order at 4:15 p.m.

**1. Closed Executive Session**

- a. Marianne Bohren closed the Board Meeting to discuss the lawsuit involving the project labor agreement. Staff is excused.

MOTION: Member Aird Closed the Regular Board Meeting

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

The Regular Board meeting resumed at 4:57 p.m.

**2. Approval of Consent Agenda Items**

- a. Regular Board minutes dated January 30, 2023
- b. Board Member vouchers for the month of January
- c. Payment vouchers dated January 25, 2023 to February 21, 2023
- d. Approval of Lead Facilities Operator Job Description
- e. Approval of Senior Facilities Operator Job Description
- f. Approval of Facilities Operator Job Description

MOTION: Member Thomsen to approve the Consent Agenda Items

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

### 3. New Business Items for Discussion and Approval

#### a. Approval of Wastewater Comprehensive Plan

Brandon Kohlts discussed the Plan. The WLSSD was created in 1971 by Minnesota Legislature and includes 9 townships, 8 cities and 4 major industrial customers, covering over 500 square miles in area.

Minnesota State Statute Chapter 458 D states that the Plan needs to include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, and a long range capital improvements program and such other details as the Board shall deem appropriate. In 1972, the WLSSD Board of Directors adopted the first Comprehensive Plan and Program; there have been several revisions and the most recent in 2016.

The purpose of the Plan is to summarize the key issues and opportunities that are facing WLSSD and communities it serves; serves as guide for future water quality planning, capital budgeting, and facility management; the plan also identifies key regulatory compliance issues and emerging contaminants, and is a planning resource for local units of government.

The Plan provides detailed evaluation of:

- Wastewater Treatment Facility
- Interceptor sewers and pump stations
- Energy efficiency improvements
- Strategies for maintaining the system and treatment capacity
- Activities insuring projection and improvement of water quality of the lower St. Louis River basin

The summary of updates to the Plan include:

- Process and facility analysis for the wastewater treatment plant and collection system
- Collection system hydraulic model - evaluation of current and future capacity
- Update to Energy Management Master Plan
- Development of a 10-year capital improvement plan for WLSSD facilities
- Review of local land use plans and population/employment trends
- Updated urban services boundary
- A review of current scientific and regulatory focus areas
- Revised goals and recommendations for the next five-year planning period

The Plan was placed on public notice on December 14, 2022 – no comments were received during the public notice period.

**The Operations & Planning Committee recommends that the WLSSD Board approve the Wastewater Comprehensive Plan.**

MOTION: Member Ezell to approve the Wastewater Comprehensive Plan

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

**b. Approval of Dry Polyacrylamide (DPAM) Flocculant Polymer Agreement – Bid #1462**

Cathy Remington discussed Bid #1462. DPAM polymer is used for thickening waste activated sludge in the dissolved air floatation thickening process in Building 8. The product is ordered in “super sack” bags” consisting of approximately 1500 – 1700 pounds each. The average semi load is 40,000 pounds and received 2-3 times per year. WLSSD is currently paying \$1.755/lb delivered.

WLSSD solicited bids for the supply of DPAM starting March 1, 2023 for one year. SNF Polydyne (the current supplier) responded with qualified polymer at a price of \$1.799/lb delivered. This price increase is below the 20% increase included in the 2023 budget.

**The Operations & Planning Committee recommends the WLSSD Board approve the (1) year Agreement between the WLSSD and SNF Polydyne for the purchase and delivery of C-3226 DPAM Polymer for the price of \$1.799 per delivered pound.**

MOTION: Member Podratz to approve the (1) year Agreement between the WLSSD and SNF Polydyne for the purchase and delivery of C-3226 DPAM Polymer for the price of \$1.799 per delivered pound

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

**c. Resolution 23-05; Settlement Agreement – Scanlon Phase 4 Interceptor Project**

Brandon Kohlts reviewed Resolution 23-05. In March 2016, Lametti and Sons, Inc. was awarded a construction contract for the Phase 4 Scanlon Interceptor Rehabilitation project. The project included replacement and lining of over 5,000 feet of pipe between 123<sup>rd</sup> and 108<sup>th</sup> Avenues West in Duluth. The adjacent

manholes were also replaced or rehabbed using a cured in place manhole lining system.

A routine inspection of the interceptor and manholes revealed failures in four of the cured in place manhole lining systems. Lametti and Sons were notified and were working toward correction of the deficiencies; the work was planned to be done during the 2021 Sappi maintenance outage; however, was not completed. Lametti contracted with another firm to complete the work during the 2022 maintenance outage; the plan was not approved due to safety concerns and logistics.

Lametti and Sons has offered a settlement for this project in lieu of legal actions. WLSSD plans to continue to monitor the manholes, evaluate rehabilitation technologies, and coordinate the repair with future projects in the area.

**The Operations & Planning Committee recommends that the WLSSD Board approve Resolution 23-05; Settlement Agreement – Scanlon Interceptor Phase 4 Project.**

MOTION: Member Thomsen to approve Resolution 23-05; Settlement Agreement – Scanlon Interceptor Phase 4 Project

SECOND: Member Ezell

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

**d. Resolution 23-06; PFA Loan Agreement – Thickener and Odorous Air Improvements Project**

Cathy Remington reviewed Resolution 23-06. This resolution allows WLSSD to obtain a loan from PFA to fund the project.

**The Finance Committee recommends that the WLSSD Board approve Resolution 23-06; PFA Loan Agreement – Thickener and Odorous Air Improvements Project.**

MOTION: Member Podratz to approve Resolution 23-06; PFA Loan Agreement – Thickener and Odorous Air Improvements Project

SECOND: Member Aird

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

e. **Resolution 23-07; Dues for Area Chambers of Commerce**

Marianne Bohren reviewed Resolution 23-07. The dues cover membership in the Cloquet, Hermantown, and Duluth Area Chambers of Commerce. In 2003, the WLSSD Board and legal counsel worked to determine whether the District's longstanding membership in the Duluth Area Chamber of Commerce was of substantial value to the District in achieving its mission. Through this process, the Board determined that membership in the Duluth Area Chamber is valuable to the District. In 2009, the Board determined that similar memberships in the Cloquet and Hermantown Area Chambers of Commerce brought similar substantive value to the District.

**The Finance Committee recommends that the WLSSD Board approve Resolution 23-07; Dues for Area Chambers of Commerce.**

MOTION: Member Aird to approve Resolution 23-07; Dues for Area Chambers of Commerce

SECOND: Member Podratz

DISCUSSION: None

RESULT: The resolution 7 ayes and 2 absents

f. **Approval of ERP and Asset Management System Upgrades**

Cathy Remington reviewed the System Upgrades. WLSSD currently utilizes Infor Lawson for the current ERP system since 1988 and Hexagon EAM for asset management since 2014. Infor purchased Lawson and has upgraded the system to Infor CloudSuite. Both systems are managed with servers at WLSSD. Functional support for the operating servers will be terminated in October 2023 and will no longer receive security updates in early 2024.

The systems will be upgraded to the latest version and will be moved to the cloud eliminating the need for WLSSD management of the software. Once moved to the Cloud, the software will be updated by the host as needed eliminating the need for major upgrade/implementation costs in the future. The work for this implementation will upgrade the current ERP system, as well as implement some new areas for HR management. The work is expected to take about 12 months and will be starting in March 2023 which will allow us to be utilizing the new system about the time that the extended support for the server operating system ends.

WLSSD worked with Infor to determine the best consultant to work with for the implementation of the software; they recommended Bails and Associates for the implementation. WLSSD has worked with Stratum Consulting Partners on some areas of our asset management system and has been satisfied with their work. We have received a proposal for upgrading to the current version and moving to the

cloud. This upgrade work will not take as long as the ERP upgrade, but we will begin utilizing both systems about the same time.

WLSSD has a current budget of \$2,050,000 for this work and the implementation costs are within this budget.

**The Finance Committee recommends that the WLSSD Board approve entering into the contract with Bails and Associates for the implementation of the Infor CloudSuite ERP system and entering into a contract with Stratum Consulting Partners for the implementation of the EAM Asset Management System.**

MOTION: Member Thomsen to approve entering into the contract with Bails and Associates for the implementation of the Infor CloudSuite ERP system and entering into a contract with Stratum Consulting Partners for the implementation of the EAM Asset Management System

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

- g. **Resolution 23-08; Establishing Executive Director Salary**  
Laura Ness reviewed Resolution 23-08. Effective March 1, 2023, Marianne Bohren continues as Executive Director with a salary of \$170,780 per year for said position, which is a 3% annual merit increase effective March 1, 2023 and the regular benefits provided to confidential employees with the exception that Marianne Bohren will receive forty (40) days' vacation per year, and basic life insurance totaling \$250,000. 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 23-08; Establishing Executive Director Salary.**

MOTION: Member Aird to approve Resolution 23-08; Establishing Executive Director Salary

SECOND: Member Podratz

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

h. **Approval of Strategic Planning Session Dates**

Marianne Bohren reviewed the dates. The Wastewater portion of the Strategic Planning Session is scheduled for Monday, May 22<sup>nd</sup> 1 – 4:30 p.m. It was determined that more sessions needed to be scheduled for the Organizational and Solid Waste portions; the Organizational portion will be scheduled for Wednesday, May 17<sup>th</sup> 11:30 a.m. – 12:30 p.m.; the Solid Waste portion will be scheduled for Thursday, June 1<sup>st</sup> 1 – 4:30 p.m.

**WLSSD Staff recommends that the WLSSD Board approve the Board Strategic Planning Session dates.**

MOTION: Member Ezell to approve the Board Strategic Planning Session dates

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

i. **Approval of Ferric Chloride Bid - #1465**

Cathy Remington discussed bid 1465. Ferric chloride is used in the anaerobic sludge digestion process primarily to control the hydrogen sulfide levels in the digester gas. Ferric chloride can also be used precipitate phosphorus and reduce polymer use. There are a limited number of vendors available to WLSSD for this product due to regional factors, however Hawkins Water Treatment Group and PVS Technologies have been competitively bidding for the contract over the past few years.

Upon receipt of the bids, it was discovered that WLSSD's contaminants specifications were too restrictive and neither bidder met these specifications. WLSSD conducted an internal review and determined the products proposed will meet WLSSD's needs.

The current contracted price of ferric chloride for WLSSD with Hawkins, Inc. is \$911.00, which would make the 2023 low bid price of \$1,316.00 from PVS Technologies approximately 44.45% higher than the previous year's cost and over the budgeted increase of 20%. The estimated use of Ferric Chloride for 5/1/23 – 4/30/24 is 169.2 dry tons.

**Based on the results above, and neither bidder being able to meeting the contaminants specifications, WLSSD staff recommends awarding this bid to PVS Technologies in the amount of \$1,316.00/dry ton, for a period of twelve (12) months.**

MOTION: Member Podratz to award this bid to PVS Technologies in the amount of \$1,316.00/dry ton



SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

#### 4. Committee Reports

- a. *Committee of the Whole* – there was no meeting in February and no meeting is scheduled for March
- b. *Finance* – the minutes from the February meeting were reviewed; the next meeting is scheduled for Wednesday, March 22, 2023
- c. *Operations & Planning* – the minutes from the February meeting were reviewed; the next meeting is scheduled for Tuesday, March 21, 2023
- d. *Personnel* – the minutes from the February meeting were reviewed; there is no meeting scheduled for March
- e. *Legislative* – a meeting is tentatively scheduled for the week of March 13<sup>th</sup>
- f. *Board Governance* – there was no meeting in February and no meeting is scheduled for March
- g. *Board Member Comments* – none

#### 5. Executive Director Reporting

##### a. Communications

Marianne Bohren reviewed the communications for the month of February.

**Article** from Duluth News Tribune, entitled: “ST Paper operations on a roll in Duluth”

**Email** from Minnesota Pollution Control Agency, re: “Update on PFAS Monitoring Plan”

Marianne also provided information on the passing of John Bastian, former Verso Paper Mill Manager and Eric Shaffer, Chief Engineer City of Duluth.

##### b. Monthly Financials

###### **Revenues**

Total Wastewater Operating Revenues thru January were \$111,175 over budget or 105%; Industrial Revenues thru January were \$106,733 over budget or 108%; Operating Investment Earnings were \$19,153 over budget or 228%; Miscellaneous Revenue was \$14,711 under budget or 30%. Miscellaneous Revenue is comprised of: Hauled Waste was \$12,118 under budget or 29%; Biosolids was \$273 under budget or 79%; Capacity Availability Fee was \$1,682 under budget or 3%; Other Miscellaneous revenues were \$638 under budget.

***Wastewater Loadings***

BOD is at 70,680 lbs/day which is 3,815 lbs/day over budget and TSS is at 46,428 lbs/day which is 3,752 lbs/day over budget thru January.

***Expenses***

Total Wastewater O&M Expenses thru January were \$148,389 under budget or 92%.

***Direct Department***

Direct Department Expenses thru January were \$32,887 under budget or 95%

Key Areas to Highlight: Payroll - \$6,523 under budget or 98%; Natural Gas - \$173 over budget or 116%; Electricity – \$7,397 under budget or 93%; Diesel - \$3,638 under budget or 71%; Water/Storm Water - \$1,814 over budget or 240%; Repairs/Cleaning Interceptors - \$20,051 over budget or 476%; Contract Services – \$3,946 under budget or 58%; Supplies - \$2,759 under budget or 77%; Grants to Governmental Units - \$2,150 under budget; Chemicals - \$28,059 under budget or 77%. Chemicals include: Sodium Hypochlorite/Bisulfite - \$0; Polymers - \$19,340 under budget or 78%; Ferric - \$813 over budget or 104%; Defoamant - \$1,213 under budget or 69%; Liquid Oxygen - \$287 under budget or 83%; Other Chemicals - \$8,032 under budget.

***Allocated Department Expenses***

Total Allocated Department Expenses thru January were \$115,501 under budget or 90%.

***Capital Investment Earnings***

The Capital Investment Earnings are \$19,410 over budget or 388%.

***Capital Fund***

The Capital Fund Transfer is 100% year to date.

***Debt Service***

Debt Service Investment Earnings are \$42,590 over budget or 478%.

***Debt Service Transfer***

Debt service transfer is 100% year to date.

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

The Wastewater Operations Revenue are \$111,175 over budget thru January. Expenses are \$148,389 under budget; Capital/Debt Service Earnings are \$62,000 overbudget; Capital/Debt Service Transfers are at budget. The actual wastewater deficit thru January is \$89,978.

### ***Operations Fund Balance***

The Wastewater Operations Fund Balance was at \$14,857,795 or 3 times the minimum targeted goal as of January 31, 2023. (Goal 25% or better of 2023 budgeted O&M expenses - \$5,094,319)

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

The Wastewater Capital Fund Reserve was \$5,770,466 or \$3.45 million in excess of the minimum targeted goal as of January 31, 2023. (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 2024-2027) was at 473% as of January 31, 2023. (Goal 120% or better)

### **Solid Waste**

#### ***Revenues***

Total Solid Waste Operating Revenues thru January were \$18,305 over budget or 102%.

Transfer Station - \$12,955 under budget or 97%; Hauler Collected Fees (SWMF) - \$29,427 over budget or 113%; Material Recovery Center - \$1,463 under budget or 94%; Yard Waste/Organics - \$25 over budget; Household Hazardous Waste - \$992 under budget or 46%; Operating Investment Earnings - \$2,688 over budget or 181%; Miscellaneous - \$1,575 over budget or 102%.

#### ***Expenses***

Total Solid Waste O&M Expenses thru January were \$95,216 under budget or 90%.

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

Direct Department Expenses thru January were \$95,389 under budget or 87%.

Key Areas to Highlight: Payroll - \$45,997 under budget or 77%; Electricity - \$377 under budget or 89%; Natural Gas - \$85 over budget or 106%; Diesel - \$270 over budget or 118%; Solid Waste Disposal - \$44,889 under budget or 91%; Contract Services- \$5,922 over budget or 123%; Supplies - \$1,190 under budget or 34%; Public Information - \$6,024 over budget or 75%; Rent-Equipment – \$3,510 over budget or 401%; Land Lease – Duluth Airport Authority - \$16 over budget or 102%; Copying and Printing - \$345 under budget or 58%; Grants to Governmental Units - \$13,684 under budget.

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

Allocated Department Expenses were \$173 over budget or 100% thru January.

***Capital Fund***

Capital Investment earnings - \$3,203 over budget or 483%; Capital Transfers – YTD 79%.

***Solid Waste Summary***

Total Solid Waste Operating Revenues are \$18,305 over budget thru January. Total Solid Waste Expenses are \$95,216 under budget. Capital transfers are \$2,942 under budget and Capital earnings \$3,203 over budget. The actual solid waste deficit thru January is \$22,468.

***Operations Fund Balance***

The Solid Waste Operations Fund Balance was at \$2,573,046 or 1 ¾ times the minimum targeted goal as of January 31, 2023 (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 \$669,016 or 1 ¼ times the minimum-targeted goal as of January 31, 2023. (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 \$338,278 or 2 ¼ times the minimum-targeted goal as of January 31, 2023. (Goal \$150,000 or better)

**c. NPDES**

Julie Macor presented 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 and internal goals were met in January. The concentration and mass-based limits for phosphorus were both met in January. There was one sewage release in January; approximately 14,000 gallons were released at Bruce Circle/Highway 61 in Esko.

**6. Legal Counsel – no report**

The meeting adjourned at 5:37 p.m.

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Recording Secretary

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Laura Ness, Board Chair

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Rob Schilling, Board Secretary