



AGENDA
REGULAR BOARD MEETING
June 26, 2023
5:00 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
 - a. Regular Board minutes dated May 22, 2023
 - b. Board Member vouchers for the month of May
 - c. Payment vouchers dated May 17, 2023 to June 20, 2023
4. **New Business Items for Discussion and Approval**
 - Operations & Planning
 - a. Approval of Building 8 Office Suite Buildout – Bid #1469
 - b. Approval of Property Acquisition (*materials to be distributed at the meeting*)
5. **Committee Reports**
 - a. Committee of the Whole
 - b. Finance
 - c. Operations and Planning
 - d. Personnel
 - i. Approval of Closed Personnel Meeting on Friday, July 14th
 - 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
June 26, 2023
5:00 p.m.

Board Members Present: Rob Schilling, Dave Manderfeld, Julene Boe, Marcia Podratz, Paul Thomsen, Jim Aird, and Jack Ezell

Board Members Absent: Laura Ness

Staff Present: Cathy Remington, Marianne Bohren, Julie Macor, Carrie Clement, AJ Axtell, Bev Culver, and Amanda MacDonald

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

1. Approval of Consent Agenda Items

- a. Regular Board minutes dated May 22, 2023
- b. Board Member vouchers for the month of May
- c. Payment vouchers dated May 17, 2023 to June 20, 2023

MOTION: Member Podratz to approve the Consent Agenda Items

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

2. New Business Items for Discussion and Approval

a. Approval of Building 8 Office Suite Buildout – Bid #1469

Carrie Clement discussed bid #1469. WLSSD hired LHB to create a design and bidding documents for the installation of an office suite on the second floor of Building 8. These office spaces will be used to house Treatment Plant Operators who have historically working in spaces throughout the process area that are not designed for work spaces. The current thickener project in Building 8 will eliminate an operator workspace. The project includes the installation of 4 offices, cubicle space, bathroom, kitchen area, and mechanical room.

Three bids were received for the project; Lakehead Construction was the lowest responsive bidder. The project cost is higher than the 2023 Capital Budget; the remainder will be funded from reallocated funds from the 2023 Capital Budget Building 9 HVAC Project.

The Operations & Planning Committee recommend that the WLSSD Board of Directors approve Bid #1469 to Lakehead Constructors, and Construction Administration to LHB.

MOTION: Member Thomsen to approve Bid #1469 to Lakehead Constructors, and Construction Administration to LHB.

SECOND: Member Aird

DISCUSSION: None

RESULT: The motion passed unanimously

b. Approval of Property Acquisition

Marianne Bohren discussed the property acquisition. The Operations & Planning Committee approved WLSSD exploring the option of purchasing property adjacent to the Pike Lake Pump Station. Legal Counsel contacted the broker for the property and has begun the process of negotiating the purchase.

David Oberstar discussed the purchase agreement and recommends that the WLSSD Board of Directors approve the purchase agreement for property adjacent to the Pike Lake Pump Station.

MOTION: Member Aird to approve the purchase agreement for property adjacent to the Pike Lake Pump Station

SECOND: Member Boe

DISCUSSION: None

RESULT: The motion passed unanimously

3. Committee Reports

- a. *Committee of the Whole* – the Strategic Plans were discussed; a Public Hearing is scheduled for 4:30 p.m. on Monday, July 24, 2023
- b. *Finance* – there was no meeting in June; the next meeting is scheduled for 11:30 a.m. on Wednesday, July 19, 2023
- c. *Operations & Planning* – the minutes from the June meeting were reviewed; the next meeting is scheduled for 11:30 a.m. on Tuesday, July 18, 2023
- d. *Personnel* – there was a Closed Meeting on Friday, June 16, 2023; a Closed Meeting is scheduled for Friday, July 14, 2023 for the purpose of Contract Negotiations

MOTION: Member Thomsen to closed the July 14, 2023 Personnel Committee Meeting for the purpose of Contract Negotiations

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

- e. *Legislative* – there was no meeting in June and no meeting is scheduled for July
- f. *Board Governance* – there was no meeting in June and no meeting is scheduled for July
- g. *Board Member Comments* – none

4. **Executive Director Reporting**

a. **Communications**

Marianne Bohren reviewed the communications for the month of June.

Article from Fox21 online, entitled: “Lincoln Park Middle Schoolers Go On Field Trip to Learn About Local Food”

Article from StarTribune, entitled: “‘Boy, did we make history’: Duluth, Arrowhead leaders celebrate region’s big wins in Minnesota budget”

Article from Fox21 online, entitled: “Duluth, St. Louis Co. Leaders Celebrate Legislative Wins”

Article from Aitkin Independent Age, entitled: “County board sets public hearings”

Article StarTribune, entitled: “Green heat for Duluth’s Lincoln Park could be just a flush away”

Article from Waste Advantage Magazine, entitled: “Minnesota Composting Industry Scores a Win with Passing of Labeling Bill”

Marianne and the Board recognized Amanda McDonald for her service to the District. Amanda will be leaving the District to pursue other opportunities and we greatly appreciate her eleven years of service.

b. **Monthly Financials**

Cathy Remington reviewed the financials for the month of May.

Revenues

Total Wastewater Operating Revenues thru May were \$949,096 over budget or 108%; Industrial Revenues thru May were \$872,610 over budget or 114%; Operating Investment Earnings were \$127,900 over budget or 272%; Miscellaneous Revenue was \$51,414 under budget or 83%. Miscellaneous Revenue is comprised of: Hauled Waste was \$20,556 under budget or 89%;

Biosolids was \$8,075 under budget or 27%; Capacity Availability Fee was \$24,109 under budget or 77%; Other Miscellaneous revenues were \$1,326 over budget.

Wastewater Loadings

BOD is at 72,805 lbs/day which is 5,940 lbs/day over budget and TSS is at 55,623 lbs/day which is 12,947 lbs/day over budget thru May.

Expenses

Total Wastewater O&M Expenses thru May were \$437,128 under budget or 95%.

Direct Department

Direct Department Expenses thru May were \$103,728 under budget or 97%

Key Areas to Highlight: Payroll - \$21,507 under budget or 99%; Utilities - \$10,887 under budget or 98%; Repairs/Cleaning Interceptors - \$45,296 over budget or 189%; Contract Services – \$4,300 over budget or 108%; Supplies - \$1,957 under budget or 97%; Chemicals - \$109,908 under budget or 88%; Public Information - \$6,525 over budget or 164%; Grants to Governmental Units - \$4,300 under budget; Program Development - \$4,330 under budget or 13%.

Allocated Department Expenses

Total Allocated Department Expenses thru May were \$333,400 under budget or 93%.

Capital Investment Earnings

The Capital Investment Earnings are \$149,071 over budget or 577%.

Capital Fund

The Capital Fund Transfer is 100% year to date.

Debt Service

Debt Service Investment Earnings are \$292,875 over budget or 609%.

Debt Service Transfer

Debt service transfer is 100% year to date.

Operations Revenue, Expense, and Surplus Summary

The Wastewater Operations Revenue are \$949,096 over budget thru May. Expenses are \$437,128 under budget; Capital/Debt Service Earnings are \$441,946 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru May is \$880,110.

Operations Fund Balance

The Wastewater Operations Fund Balance was at \$14,826,731 or 2 ¾ times the minimum targeted goal as of May 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 \$5,220,768 or \$2.80 million in excess of the minimum targeted goal as of May 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 472% as of May 31, 2023. (Goal 120% or better)

Solid Waste***Revenues***

Total Solid Waste Operating Revenues thru May were \$57,057 under budget or 99%.

Transfer Station - \$134,520 under budget or 95%; Hauler Collected Fees (SWMF) - \$92,058 over budget or 109%; Material Recovery Center - \$11,470 under budget or 95%; Yard Waste/Organics - \$5,713 under budget or 92%; Household Hazardous Waste - \$29,343 under budget or 35%; Operating Investment Earnings - \$19,039 over budget or 214%; Miscellaneous - \$373 over budget or 100%.

Expenses

Total Solid Waste O&M Expenses thru May were \$688,376 under budget or 86%.

Direct Department

Direct Department Expenses thru May were \$655,914 under budget or 84%.

Key Areas to Highlight: Payroll - \$144,575 under budget or 83%; Utilities - \$880 under budget or 97%; Solid Waste Disposal - \$273,388 under budget or 90%; Contract Services - \$99,341 under budget or 68%; Supplies - \$6,226 under budget or 75%; Public Information - \$1,116 under budget or 97%; Rent-Equipment - \$3,154 under budget or 87%; Land Lease - Duluth Airport Authority - \$78 over budget or 102%; Copying and Printing - \$6,117 under budget or 40%; Grants to Governmental Units - \$125,445 under budget; Program Development - \$2,154 over budget or 117%.

Allocated Department

Allocated Department Expenses were \$32,462 under budget or 96% thru May.

Capital Fund

Capital Investment earnings - \$21,152 over budget or 607%; Capital Transfers – YTD 82%.

Solid Waste Summary

Total Solid Waste Operating Revenues are \$57,057 under budget thru May. Total Solid Waste Expenses are \$688,376 under budget. Capital transfers are \$13,592 under budget and Capital earnings \$21,152 over budget. The actual solid waste surplus thru May is \$215,900.

Operations Fund Balance

The Solid Waste Operations Fund Balance was at \$2,394,947 or 1 ½ times the minimum targeted goal as of May 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 \$679,812 or 1 ¼ times the minimum-targeted goal as of May 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 \$384,346 or 2 ½ times the minimum-targeted goal as of May 31, 2023. (Goal \$150,000 or better)

c. **NPDES**

Julie Macor discussed the NPDES for May. 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 May. The disinfection limits were met for the month. The concentration and mass-based phosphorus limits were both met for the month. There were 2 sewage releases reported in May; one on Hwy 210 and one at C11. In total, approximately 9,210 gallons were released. There have been 11 total releases reported in 2023.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 5:25 p.m.

Recording Secretary

Laura Ness, Board Chair

Rob Schilling, Board Secretary