



AGENDA  
REGULAR BOARD MEETING  
May 22, 2023  
12:30 p.m.

1. **Agenda Review**
2. **Old Business**
3. **Approval of Consent Agenda Items**
  - a. Regular Board minutes dated April 24, 2023
  - b. Board Member vouchers for the month of April
  - c. Payment vouchers dated April 19, 2023 to May 16, 2023
  - d. Sanitary Sewer Extension – Rice Lake Utility Extension (City of Rice Lake)
  - e. Sanitary Sewer Extension – Okerstrom Road and Utility Improvements (City of Hermantown)
4. **New Business Items for Discussion and Approval**
  - Operations & Planning
    - a. Resolution 23-11; Wisconsin Department of Natural Resources NR-208 Compliance Maintenance
    - b. Approval of PaintCare Agreement
  - Finance
    - c. Approval of Purchasing Policy Revisions
  - Governance
    - d. Approval of 2023-2024 Committee Assignments
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  
May 22, 2023  
12:30 p.m.

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

Board Members Absent: Dave Manderfeld and Laura Ness

Staff Present: Marianne Bohren, Cathy Remington, Brandon Kohlts, Julie Macor, Paul Wilken, Nate Hartman, Carrie Clement, AJ Axtell, Erik Johnson, and Amanda MacDonald

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

Vice Chair Boe called the meeting to order at 12:30 p.m.

**1. Approval of Consent Agenda Items**

- a. Regular Board minutes dated April 24, 2023
- b. Board Member vouchers for the month of April
- c. Payment vouchers dated April 19, 2023 to May 16, 2023
- d. Sanitary Sewer Extension – Rice Lake Utility Extension (City of Rice Lake)
- e. Sanitary Sewer Extension – Okerstrom Road and Utility Improvements (City of Hermantown)

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. **Resolution 23-11; Wisconsin Department of Natural Resources NR-208 Compliance Maintenance**

Julie Macor discussion Resolution 23-11. WLSSD is permitted by the Wisconsin Department of Natural Resources to land apply biosolids in the State of Wisconsin. Section 2.1.4 of the WPDES permit specifies a need to submit a Compliance Maintenance Annual Report (CMAR) by June 30th of each year, for the preceding year. Since 1987, the CMAR has been an annual self-evaluation reporting requirement for publicly and privately owned wastewater treatment works, which operate under WPDES permits. The CMAR program was revised in 1992 and 2005. In the case of a publicly owned treatment works, a Resolution must be passed by the governing body and submitted as part of the CMAR,

verifying its review of the report and providing responses as required. The Resolution, report and scoring results have been prepared to facilitate WLSSD's complete fulfillment of the WPDES permit requirement, to submit a CMAR for calendar year 2022. The scoring (grade) was an "A" and there are no problematic issues to address.

**The Operations & Planning Committee recommends that the WLSSD Board approve Resolution 23-11; Wisconsin Department of Natural Resources NR-208 Compliance Maintenance.**

MOTION: Member Ezell to approve Resolution 23-11; Wisconsin Department of Natural Resources NR-208 Compliance Maintenance

SECOND: Member Podratz

DISCUSSION: None

RESULT: The resolution passed with 7 ayes and 2 absents

**b. Approval of PaintCare Agreement**

Brandon Kohlts presented the PaintCare Agreement. PaintCare is a non-profit organization that administers a stewardship program that meets the requirements of the MPCA's Minnesota Paint Recovery Program. The program covers the cost of recycling, transporting, and disposal of the qualifying paint received at WLSSD's Household Hazardous Waste facility. The program also provides financial incentives for material reuse efforts.

In 2022, PaintCare picked up 41,510 gallons of paint at WLSSD's HHW facility. The revenue total for the NE region in Minnesota for 2022 was \$158,000; WLSSD received \$115,000 directly. Program funds are generated by a point of sale fee of \$0.49 - \$1.99 per container of paint.

WLSSD first signed an agreement with PaintCare in 2017; a new 5-year agreement is being proposed. As the Regional HHW Program sponsor, WLSSD is given the authority to sign an agreement with PaintCare on behalf of the northeast regional program. WLSSD was part of a four-person team negotiating new agreement on behalf of all Minnesota counties.

The new agreement continues to cover all disposal costs, increases the reuse rate to \$0.38/lb., and ensures participating parties are indemnified against all issues related to the transportation and recycling of paint. The terms of the agreement will be effective January 1, 2023 through December 31, 2027.

**The Operations & Planning Committee recommends that the WLSSD Board approve WLSSD entering into an agreement with PaintCare for the period of January 1, 2023 through December 31, 2027.**

MOTION: Member Thomsen to approve entering into an agreement with PaintCare for the period of January 1, 2023 through December 31, 2027

SECOND: Member Ezell

DISCUSSION: None

RESULT: The motion passed unanimously

c. **Approval of Purchasing Policy Revisions**

David Oberstar reviewed the Purchasing Policy. WLSSD's current Purchasing Policy has been effective since 2011 and the changes made were to clarify existing language, add citations to applicable state statutes or include new provisions.

The changes to sections added or updated, include:

- Addition of Environmental Preferable Purchasing
- Update of Levels of Purchasing Authorization
- Updated Procurement Thresholds and Practices
- Update of Emergency Purchases
- Definition of Responsible Bidder
- Revision to Bid Documents
- Update of Bidding Requirements
  - Advertisement for Bids
  - Bidders' Deposit
  - Bonds and Certifications of Insurance
- Update and addition to Change Orders
- Addition of Retainage language
- Update of the chain of command for purchasing

**The Finance Committee and legal counsel recommend that the WLSSD Board approve the Purchasing Policy.**

MOTION: Member Podratz to approve the Purchasing Policy

SECOND: Member Thomsen

DISCUSSION: None

RESULT: The motion passed unanimously

d. **Approval of 2023-2024 Committee Assignments**

Marianne Bohren reviewed the committee assignments for 2023-2024. There were no significant changes to the assignments; Jack Ezell will serve as WLSSD's representative on the North East Waste Advisory Committee (NEWAC).

**The Governance Committee recommends that the WLSSD Board approve the 2023-2024 Committee Assignments.**

MOTION: Member Aird to approve the 2023-2024 Committee Assignments

SECOND: Member Lilly

DISCUSSION: None

RESULT: The motion passed unanimously

3. **Committee Reports**

- a. *Committee of the Whole* – the dates of the Strategic Planning Sessions were reviewed; the Clean Water Session is scheduled for May 22<sup>nd</sup> at 1:00pm, Solid Waste Session is scheduled for June 1<sup>st</sup> at 1:00pm, and the Financials Session is scheduled for June 12<sup>th</sup> at 3:00pm.
- b. *Finance* – The minutes from the May meeting were reviewed; the next meeting is scheduled for June 21<sup>st</sup> at 11:30am
- c. *Operations & Planning* – the minutes from the May meeting were reviewed; the next meeting is scheduled for June 20<sup>th</sup> at 11:30am
- d. *Personnel* – there was no meeting in May; the next meeting is scheduled for June 16<sup>th</sup> at 11:30am.

MOTION: Member Thomsen to Close the June 16<sup>th</sup> Personnel Committee Meeting

SECOND: Member Podratz

DISCUSSION: None

RESULT: The motion passed unanimously

- e. *Legislative* – there was no meeting in May and no meeting is scheduled for June. The 2023 Legislative Session ends on May 22<sup>nd</sup>; WLSSD is included in the bonding bill thus far.
- f. *Board Governance* – there was no meeting in May and no meeting is scheduled for June.
- g. *Board Member Comments* – none

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

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

Marianne Bohren discussed the communications for the month of May.

**Article** from Smart Cities Dive, entitled: “To spur geothermal heating and cooling, DOE funds 11 community-scale system design projects”

**Article** from WasteAdvantage Magazine, entitled: “Superior Landfill in Wisconsin Nearing Capacity as New Options are Explored”

**Article** from Duluth News Tribune, entitled: “Award allows Duluth to explore wastewater as possible heat source”

**Obituary** Rob Prusak, former WLSSD Board Member

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

Cathy Remington reviewed the financials for the month of April.

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

Total Wastewater Operating Revenues thru April were \$547,366 over budget or 106%; Industrial Revenues thru April were \$472,390 over budget or 109%; Operating Investment Earnings were \$91,661 over budget or 253%; Miscellaneous Revenue was \$16,685 under budget or 92%. Miscellaneous Revenue is comprised of: Hauled Waste was \$7,403 under budget or 94%; Biosolids was \$3,708 under budget or 45%; Capacity Availability Fee was \$5,984 under budget or 90%; Other Miscellaneous revenues were \$410 over budget.

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

BOD is at 72,878 lbs/day which is 6,013 lbs/day over budget and TSS is at 50,005 lbs/day which is 7,329 lbs/day over budget thru April.

###### ***Expenses***

Total Wastewater O&M Expenses thru April were \$370,372 under budget or 94%.

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

Direct Department Expenses thru April were \$81,242 under budget or 97%

Key Areas to Highlight: Payroll - \$17,239 under budget or 99%; Natural Gas - \$14,628 over budget or 444%; Electricity – \$6,192 over budget or 101%; Diesel - \$23,048 under budget or 54%; Water/Storm Water - \$6,009 over budget or 216%; Repairs/Cleaning Interceptors - \$50,703 over budget or 236%; Contract Services – \$15,172 over budget or 143%; Supplies - \$8,192 under budget or 83%; Public Information - \$10,108 over budget or 257%; Grants to Governmental Units - \$4,300 under budget; Program Development - \$2,850 under budget or 5%; Chemicals - \$124,909 under budget or 80%. Chemicals include: Sodium

Hypochlorite/Bisulfite - \$46,479 under budget or 69%; Polymers - \$36,989 under budget or 89%; Ferric - \$23,729 under budget or 71%; Defoamant - \$7,817 under budget or 62%; Liquid Oxygen - \$1,877 over budget or 128%; Other Chemicals - \$11,772 under budget or 37%.

***Allocated Department Expenses***

Total Allocated Department Expenses thru April were \$289,130 under budget or 93%.

***Capital Investment Earnings***

The Capital Investment Earnings are \$109,815 over budget or 532%.

***Capital Fund***

The Capital Fund Transfer is 100% year to date.

***Debt Service***

Debt Service Investment Earnings are \$212,302 over budget or 563%.

***Debt Service Transfer***

Debt service transfer is 100% year to date.

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

The Wastewater Operations Revenue are \$547,366 over budget thru April. Expenses are \$370,372 under budget; Capital/Debt Service Earnings are \$322,117 over budget; Capital/Debt Service Transfers are at budget. The actual wastewater surplus thru April is \$352,179.

***Operations Fund Balance***

The Wastewater Operations Fund Balance was at \$14,729,491 or 2 <sup>3</sup>/<sub>4</sub> times the minimum targeted goal as of April 30, 2023. (Goal 25% or better of 2023 budgeted O&M expenses - \$5,094,319)

***Capital Fund Reserve Balance***

The Wastewater Capital Fund Reserve was \$5,090,827 or \$2.66 million in excess of the minimum targeted goal as of April 30, 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 471% as of April 30, 2023. (Goal 120% or better)

***Solid Waste***

***Revenues***

Total Solid Waste Operating Revenues thru April were \$111,285 under budget or 97%.

Transfer Station - \$137,771 under budget or 93%; Hauler Collected Fees (SWMF) - \$79,362 over budget or 109%; Material Recovery Center - \$23,206 under budget or 83%; Yard Waste/Organics - \$10,899 under budget or 53%; Household Hazardous Waste - \$32,660 under budget or 25%; Operating Investment Earnings - \$13,383 over budget or 200%; Miscellaneous - \$506 over budget or 100%.

***Expenses***

Total Solid Waste O&M Expenses thru April were \$562,138 under budget or 85%.

***Direct Department***

Direct Department Expenses thru April were \$538,465 under budget or 82%.

Key Areas to Highlight: Payroll - \$139,440 under budget or 79%; Electricity - \$984 under budget or 92%; Natural Gas - \$139 over budget or 103%; Diesel - \$182 under budget or 97%; Solid Waste Disposal - \$244,518 under budget or 88%; Contract Services - \$68,553 under budget or 66%; Supplies - \$4,388 under budget or 76%; Public Information - \$3,586 under budget or 87%; Rent-Equipment – \$26 under budget or 100%; Land Lease – Duluth Airport Authority - \$40 over budget or 101%; Copying and Printing - \$6,924 under budget or 17%; Grants to Governmental Units - \$65,445 under budget; Program Development - \$5,048 under budget or 46%.

***Allocated Department***

Allocated Department Expenses were \$23,673 under budget or 97% thru April.

***Capital Fund***

Capital Investment earnings - \$15,452 over budget or 563%; Capital Transfers – YTD 80%.

***Solid Waste Summary***

Total Solid Waste Operating Revenues are \$111,285 under budget thru April. Total Solid Waste Expenses are \$562,138 under budget. Capital transfers are \$11,410 under budget and Capital earnings \$15,452 over budget. The actual solid waste surplus thru April is \$53,246.

***Operations Fund Balance***

The Solid Waste Operations Fund Balance was at \$2,308,333 or 1 ½ times the minimum targeted goal as of April 30, 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 \$676,016 or 1 ¼ times the minimum-targeted goal as of April 30, 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 \$382,965 or 2 ½ times the minimum-targeted goal as of April 30, 2023. (Goal \$150,000 or better)

**c. NPDES**

Julie Macor discussed the NPDES for April. BOD monthly percent removal limit was not met for the month of April; TSS limit was met. The permit-specified mercury daily maximum and monthly average limits were met and internal goals were met in April. The fecal coliform disinfection limits were met; the E.coli limits were not met in April. The concentration and massed-based phosphorus limits were both met for the month. There were 8 sewage releases reported in April; four on Becks Road, two on the Proctor Interceptor, and two on the Hermantown Interceptor. In total, approximately 235 gallons of foam were released and 110,000 gallons of wastewater were released.

5. **Legal Counsel** – no report

6. **Executive Session** – none

The meeting adjourned at 1:02 p.m.

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Recording Secretary

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Laura Ness, Board Chair

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Rob Schilling, Board Secretary