

Duluth/North Shore Sanitary District – Board of Managers

Meeting # 129

Date: October 19, 2010
Meeting called to order at: 7:00 am.
Board Members Present: Kevin Bovee, Dean Korri, Scott Smith, Katie Kuettel, John Bowen
Board Members Absent: None
Others Present: John Mason, Julie Lundholm, Mia Thibodeau, Jim Anklam,
John Kessler, Eric Appelwick, Becky McNamara, Jared Peterson
Minutes To: Kevin Bovee, Dean Korri, Scott Smith, Katie Kuettel, John Bowen, Eric Appelwick, John
Mason, Mia Thibodeau, Jim Anklam, Mary Ann Sironen, Becky McNamara, Al Katz,
Lars Fladmark, Don McTavish, John Kessler, Marianne Bohren, Tim Tuominen, Dan
Belden
Minutes By: Julie Lundholm

1. **Roll call:** all board members present, none absent.
2. **Approve agenda:** motion to approve as written by **K. Kuettel**. Second by **J. Bowen**.
Motion passed unanimously.
3. **Minutes:** regular meeting # 128, September 21, 2010. Correction by **J. Kessler** to #4, A.
Motion to approve with correction by **K. Kuettel**. Second by **S. Smith**. Motion passed
unanimously.
4. **Public Comment:**
 - I. **Jared Peterson:** 5389 North Shore Drive, called **B. McNamara** inquiring about re-
connection fees and debt service fee. He feels it's unfair to be charged a debt service
fee when he is currently not utilizing sewer services. The mobile home previously on
the property has been removed.
5. **Communications / Correspondence:**
 - I. J. Peterson, 5389 North Shore Dr., Change of Service, DSF: this item addressed in
#4, I.
 - II. Auditor's Letter: **K. Bovee** has signed the letter saying DNSSD has reviewed the
audit and is in agreement. It will be delivered to the auditor by the deadline.
 - III. Handout and Agenda for DNSSD October 19 Public Meeting sent by **B. McNamara**.
This item will be addressed under New Business.
6. **Treasurer's Report:**
 - I. Payment of Bills: motion by **D. Korri** to pay the monthly bills as presented. Second
by **K. Kuettel**. Motion passed unanimously.
7. **Legal Issues: Mia Thibodeau**
 - I. Debt Service Fee Policy: **M. Thibodeau** was asked to look into the language in
Ordinances # 1 and 3 regarding debt service fee policies. The ordinance language

would not preclude a policy where all Users who have district equipment are charged the debt service fee. The Debt Service Fee is charged to each User. See *Ordinance No. 3, Section 5*. A “User” is any user connected to the “Treatment Facilities”. See *Ordinance No. 1, Section 1.87*. “Treatment Facilities” is defined to include any “equipment or processes owned or used by the District”. See *Ordinance No. 1, Section 1.91*. **J. Bowen**: the only three customers looking at discontinuing the debt service fee are Jared Peterson, Gaylord, and Ricky Miles Johnson. As far as the other nine on the list, some have equipment, some don’t. All eleven properties have notes in the database, and a grinder station. To go from abandoned to active the homeowner would have to apply for a new connection at a cost of \$5000.00 to \$8000.00 which would equal 5-6 years of DSF. General discussion followed. **E. Appelwick**: liability is a factor. If all equipment is gone, there is no liability. If the line is capped, it is not an issue. **S. Smith**: the Board recently adopted an abandonment policy. Abandoned means the entire system is removed. The DSF is only being charged to those properties with grinder stations. Motion by **S. Smith** to change Debt Service Fee Policy to require annual debt service fee for all users who have district equipment on their property, knowingly and willingly. Second by **K. Kuettel**. **K. Bovee** called for a vote. The vote was precluded by discussion. **K. Bovee**: motion to strike ‘knowingly and willingly’ and amend the Debt Service Fee Policy to provide that all users who have District equipment will be subject to the debt service fee unless they have abandoned their system. **Vote**: all in favor of motion with amendment. **K. Bovee**: asked **B. McNamara** and **M. Thibodeau** to provide a draft letter for next month’s meeting with procedures and costs for re-establishing a connection after abandonment. **M. Thibodeau** will draft the changes in the Change of Service Policy.

- II. NTS Insurance Renewal (Liability): **M. Thibodeau** sent an email on 9/29/10 to the League of Minnesota Cities requesting information about how much liability coverage other sanitary districts usually carry. The email from the League indicated that “sewage” would be a “hazardous substance” which could result in double the statutory liability limits. However, most districts only carry the statutory liability amount. The Board must decide what limits they want. She recommends double the limit as sewage is a hazardous waste. The Board has requested NTS to carry extra coverage at an additional cost of \$250.00 per month to the District. Motion by **J. Bowen** to drop the \$1.5 million excess insurance coverage for NTS. Second by **K. Kuettel**. Motion passed unanimously. This will save the District \$3000.00 per year in premiums; the District coverage is already \$3 million.
- III. Schulz Letter: this item will be addressed in Old Business.
- IV. Resolution Certifying Past Due Service Charges and Debt Service Fees: **M. Thibodeau** will confirm the last date people can pay. The resolution is approving

certification of those with past due fees on the list to the tax rolls. **K. Kuettel** noted the date listed in resolution for providing final list should be November 15. Motion by **K. Kuettel** to adopt Resolution 10.19.10 as amended. Second by **S. Smith**. Motion passed unanimously.

V. District Insurance Summary: the district has a maximum \$3 million in coverage. The Board could consider reducing its insurance liability amount based on the email from the League. **M. Thibodeau** will ask what savings would be with a reduction in coverage. She recommends the district re-insure at double the statutory amount this time. Motion by **K. Kuettel** to approve the District insurance renewal premiums for the next year. Second by **S. Smith**. Motion passed unanimously

VI. Board Elections: the election documents are ready and will be sent to the townships of Duluth and Lakewood. Once approved, the documents will be sent to the City of Duluth.

8. **Engineer's Report: Jim Anklam:**

- I. 1159 Old North Shore Rd: discussed the air relief valve (as discussed in the September meeting minutes) with **J. Mason** and **E. Appelwick**. Making adjustments to the pipe is working so far. **J. Mason** gave a brief overview of the situation. The problem has disappeared and they will hold off on installing the air relief valve.
- 2250 Old North Shore Rd: regarding the wet spot on the road (Fennessy property), during a site visit the wet spot was not seen. It could be a wetlands issue, and is not likely due to a leak in the line as an odor would be obvious. **J. Anklam:** recommends installing a check valve at that segment of the line. This would isolate that segment of the line from being plugged with solids. The estimated cost for the check valve is from \$6500.00 to \$7500.00. **J. Mason:** NTS has taken measures to resolve the issue by flushing the system and cleaning the air relief valve. He supports **J. Anklam's** recommendation. Clean-outs should also be installed on the lines. **J. Bowen:** the money is available in the capital improvement budget. Motion to install a check valve on the lateral line to 1150 Old North Shore Rd at a maximum cost of \$9000.00. Second by **K. Kuettel**. Motion passed unanimously.
- II. Hydrogen Sulfide Gas, Ryan Road Manholes: **J. Mason** said the odor is bad at the Ryan Road lift station. They are using a less expensive carbon change-out, but this contributes to corrosion in the manholes. **J. Anklam:** has information regarding a new vortex system using gravity to eliminate gasses and odor. Cost to purchase the structure is \$20 - \$25 thousand, with \$10 - \$15 thousand installation cost. It would eliminate carbon replacement and is low maintenance. His suggestion to the Board is to find a user in a similar circumstance to interview, and ask WLSSD for suggestions. He will report back to the Board.

9. **Operations Committee: John Bowen**
 - I. Flow: A large amount of rainfall in August changed the pattern but is still low.
 - II. Change of Service Procedures and Request/Permit: handout provided for draft Change of Service Procedure. The Board should set the policy, and NTS should determine the procedure. Discussion of policy. **J. Bowen** will make corrections and send to **S. Smith** and **K. Bovee**. NTS will supply fees corresponding with the corrected policy and report to the Board at the next meeting.
 - III. Database: discussion and report of issues. **J. Mason** suggested a point person be responsible for all database entry. He requested any corrections with addresses (operational only) be forwarded to him for entry. Address corrections pertaining to financial issues should be forwarded to **B. McNamara**.
10. **Operations Report: John Mason – NTS**
 - I. Lift Station Pumps: WW Goetsch supplied results from lift station pumps; some issues were found. The quote for Lift Station 1 pump was \$4000.00 to repair and reinstall. This can be paid from the capital replacement fund. He is looking for a control company to do this type of work.
 - II. Valve Vault: has been reflushed, may need a protective coat of paint in the future.
 - III. Knife River Tank: NTS asked Knife River to store water for them. In exchange, NTS would clean the tank. The tank is not in good shape and has not been cleaned in at least five years. There is corrosion to the concrete inside the tank, with plants growing inside due to the large amount of sludge. NTS is billing the District the cost of cleaning the Knife River tank; this cost should be charged to the pigging project.
 - IV. Restaurant Sampling: 4th quarter sampling has been completed, will have results soon. Discussion regarding cost of sampling. The cheapest option is to have the District to do the sampling and have the restaurants reimburse the District for the cost, with the option to retest if they don't agree with the results. **K. Bovee** will send this back to the Operations Committee for further discussion. He feels it best to have NTS continue to do sampling and bill the cost back to the restaurants.
 - V. Knife River is not happy with the rate increase. **J. Mason** has prepared some numbers comparing last year with next year. The biggest cost was the pigging.
11. **New Business:**
 - I. Public Meeting Handouts and Agenda: discussion of materials and planning of DNSSD public meeting, to be held at 7:00 pm on October 19, 2010.
12. **Old Business:**
 - I. Mailing List for Minutes: **J. Lundholm** provided a draft list. This was reviewed and approved. Minutes will be sent to all on list once approved.
 - II. Ricky Miles Johnson: on hold.
 - III. Todd Anderson Driveway: on hold.


- IV. 7025 E. Superior St. (deck over control panel): **J. Mason** stated this has been fixed.
- V. Schulz Issue: handout copy of letter sent. Homeowner is still contesting dates of hook-up. **K. Bovee** recommends splitting the difference between August and May and start with January 1st. **B. McNamara**: the Board would write off 6-9 months of user fees in lieu of the \$5000.00 bill, and would bill monthly user fees as of July 1st, 2006. The homeowner is currently paying monthly user fees. **J. Bowen**: the system was operational as of the date of inspection – 8/2/05. **M. Thibodeau**: the Board should focus on the evidence provided and base their decision on that (for precedent setting purposes). **K. Bovee**: seeking resolution to this issue. The Board has allowed 10 months of user fees at \$63.00 (at that time) per month. Motion by **S. Smith** to start billing as of May, 2006. Second by **J. Bowen**. Vote: **K. Kuettel** opposed. All others in favor.

13. **Other:**

- I. **J. Bowen** will be resigning from the Board at the end of the year. The Board needs to make an announcement for a new member. He represents Duluth Township.

14. **Adjourn:** Motion to adjourn meeting at 10:30 am by **K. Kuettel**. Second by **K. Bovee**. Motion passed unanimously.

Minutes Approved by:

 12.21.10
 Chair Date

 12/21/2010
 Secretary Date

Next Meeting Date: The next meeting will be held at 7:00 am at French River Lutheran Church on November 16, 2010.