

## **Duluth/North Shore Sanitary District – Board of Managers**

**Meeting # 139 7:00 A.M. August 16, 2011**

**French River Lutheran Church**

Board Members Present: Katie Kuettel, Scott Smith, Angela Braud, Kevin Bovee, Dean Korri  
Board Members Absent: None  
Others Present: John Bowen, Eric Appelwick, Mia Thibodeau, Todd Schnorr, Mary Ann Sironen, Jim Bakken

1. The meeting was called to order at 7:06 am.
2. **Approve agenda:**
  - I. **K. Bovee** added discussion topics to the agenda, under Communications/Correspondence Brett Balavance of the MPCA has requested financial information from the District. He also added 2012 budget discussion under the Treasurer's Report. **K. Kuettel** added 1099 discussion under the Treasurer's report. **Motion** to approve Agenda as amended by **K. Kuettel**. Second by **S. Smith**. Motion passed unanimously.
3. **Minutes:**
  - I. The minutes of the regular meeting # 138, July 19, 2011 were not reviewed in time for the August meeting. **Motion** to table the minutes by **K. Kuettel**. Second by **A. Braud**. Motion passed unanimously.
4. **Public Comment/Input:**
  - I. **M. Sironen** asked about development plans for an apartment complex at the Cape Superior Inn location. **K. Bovee** responded that the District has not heard anything recently. **M. Sironen** asked if the District has made any progress with any plans and costs for the new development. **S. Smith** responded the District is still waiting to hear from Duluth Township.
5. **Communications/Correspondence:**
  - I. **K. Bovee** discussed the E-mail sent to **E. Appelwick** which was forwarded to **B. McNamara**, then to **K. Bovee** from **B. Balavance**. The E-mail requested financial information regarding the District due to a complaint of costs to the governor's office. **J. Bowen** then sent an E-mail with an idea to distribute the financial information that was given out at the 2010 public meeting. **K. Bovee** to E-mail the information to **B. Balavance**.
6. **Knife River Larsmont Sanitary District (KRLSD):**
  - I. **K. Bovee** stated D/NSSD has not heard a response from KRLSD. A letter will be drafted by **B. McNamara** to KRLSD confirming the 2012 rates.
7. **Treasurer's Report: Scott Smith**
  - I. **Payment of Bills: Motion** by **S. Smith**. To pay the July bills as presented. Second by **K. Kuettel**. Discussion by **K. Kuettel**: the question was asked about Ayres costs to the project. New hookups are a flat rate billed to the customer. The Highway 61 realignment project is a direct cost to the District. **Motion** passed unanimously.
  - II. **S. Smith** discussed his 1099 visit with the IRS. The District is required to distribute Form 1099 to any Limited Liability Company receiving payments greater than \$600 from the District and became under IRS review because none were filed in tax years 2008, 2009, and 2010. The District has sent out Form W-9 to re-verify who would qualify as meeting this requirement for tax years 2008, 2009 and 2010. The IRS has the ability to impose a 28% penalty of the unreported amount, which is greater than the anticipated

\$50/each fine. Because backup documentation was provided at the meeting and the error is being corrected, the District does not expect to be fined. A follow up letter from the IRS is going to be sent to the District.

- III. The **Board** reviewed the preliminary budget for 2012. **J. Bowen** said that the Operations Committee will meet in the near future to review the operations budget. **M. Thibodeau** stated the Board has decided to go with a debt service fee, however if a levy were to be instituted, the preliminary tax levy has to be in by September 15<sup>th</sup>, which would be an August Board meeting decision. The levy is not being utilized by the District.
  - IV. **Payment of Billback:** **S. Smith** asked for clarification on the \$2,310.95 bill to the Nokomis. **E. Appelwick** explained the lines were plugged with grease, therefore the basin was pumped, the lines were jetted, the pumps were removed and a confined space entry was made to clean the piping in the basin. Motion by **S. Smith**. Second by **D. Korri**. Motion passed unanimously.
  - V. **S. Smith** discussed a discrepancy on the list of payables for RRM Financial, the list of payables shows \$3,516.25 and the check is made out \$3,613.17. **S. Smith** recommended signing the check, but he will hold on to it until he receives clarification from RRM Financial. An amended Motion to pay the \$3,613.17 upon clarification from RRM financial was made by **S. Smith**. Second by **D. Korri**. Motion passed unanimously.
8. **Legal Issues: Fryberger, Mia Thibodeau**
- I. **M. Thibodeau** distributed and discussed the contractor policy. The policy was drafted to ensure D/NSSD contractors are up-to-date with the appropriate information, such as insurance, bonding, address, and other pertinent information. The information is to be provided by the contractors to the District by the end of the calendar year or prior to performing work in the District the next calendar year. **S. Smith** asked if the \$250 fee is refundable if an application is rejected. **M. Thibodeau** stated the language does not clarify whether or not it is refundable, but it will be looked into. **K. Kuettel** asked if the contractor should be made aware of the policy change and **M. Thibodeau** responded that a letter should be sent to the contractors. **D. Korri**, asked that language be added regarding the refundable fee and the possibility of the revocation of the license in the future. The policy will be reviewed next month.
  - II. **A. Braud** asked about a publicly available step-by-step process in which contractors and homeowners can follow for new hookups. **E. Appelwick** responded the check list exists in an E-mail format and is intended to be placed on D/NSSD's website in the future.
  - III. **M. Thibodeau** stated **S. Smith** is the Board Member that is up for re-election this year.
9. **Engineer's Report: Ayres and Associates, Jim Bakken**
- I. **J. Bakken** stated the line at 1141 Old North Shore Rd, Herman's residence, is installed and pressure tested. The ledge was shallow therefore the line was double insulated and soil was mounded over the top. **E. Appelwick** said that **T. Schnorr** and **E. Appelwick** went to the site at two different dates to perform the post installation inspection. The power has not been turned on and will not be for approximately a month or more. **K. Kuettel** asked if the contractor had been approved for the installation. **E. Appelwick** responded, yes, all of the information for approval had been submitted.
  - II. **D. Korri** discussed the prior sewer line issues regarding other residents on Old North Shore Road. **E. Appelwick** responded, the issue was resolved when the check valve was installed with the Hwy 61 realignment project.

10. **Operations Committee: John Bowen**

- I. **J. Bowen** stated the flows were over the allocation last month, but the yearly average is still under the allocated flow. 1141 Old North Shore Road needs to be added to the database. **J. Bowen** is going to talk to **B. McNamara** to have new applications added immediately to the database with a pending status. The engineering numbers are required to be updated to be able to query the database. **J. Bowen** stated the 11"x 17" engineering plan set drawings need to be updated to account for new connections within the past two to three years.
- II. **E. Appelwick** stated three grinder pumps failed recently and with no new pumps in inventory. It is the recommendation of the Operations Committee to purchase two new Hydromatic grinder pumps. Eleven failed pumps were sent to W. W. Goetsch for diagnosis. **D. Korri** asked if it is a capital expense and made a **Motion** to purchase the pumps pending verification from which account the money will come. **Second** by **S. Smith**. **Motion** passed unanimously. **D. Korri** asked of the eleven, how many will be repairable. **E. Appelwick** replied, he would like to see approximately eight of the eleven be repaired.

11. **Operations Report: NTS, Eric Appelwick**

- I. **E. Appelwick** discussed I/I due to rain events on August 1st and August 5th. During these events a common, significant source of I/I was discovered, which is the electrical conduits coming into the basins. Due to the I/I and elevated main line pressures, 9628 Congdon Blvd and 9436 Congdon Blvd experienced backups in the basements.
  - II. **E. Appelwick** stated the restaurant sampling was going to start this week, however the wrong sampler was shipped to NTS. Sampling will commence when the correct sampler is received.
  - III. **E. Appelwick** is going to approach the restaurants about routine cleaning of the pumps and effluent lateral lines. The intent is to minimize emergency situations due to grease buildup. **J. Bowen** stated it would be a cost to the restaurants. An emergency situation may still happen. Routine cleaning will not guarantee perfect operations but may help reduce overtime expenses.
  - IV. **E. Appelwick** stated the operators performing the yearly maintenance on the grinder stations have mentioned some of the curbstops are difficult to operate. New construction homes will have extensions in the curbstops to minimize shifting of the valves. **D. Korri** asked that tall curbstop valves will be lowered. **E. Appelwick** replied they can be lowered by cutting them off, however the valves need to be above ground so NTS can find them. **K. Kuettel** inquired about the nonfunctional valve at the Northern Shores Townhomes. **E. Appelwick** replied, NTS was not able to turn the valve on. Several different style wrenches were used and a camera was attempted. **E. Appelwick** informed the Northern Shores Townhomes that the valve is not operational and they stated they would attend to the issue.
  - V. **E. Appelwick** discussed the vandalism at lift station #1 and Ryan Road locations. **E. Appelwick** suggested painting over the graffiti. A D/NSSD sign over the graffitied area on lift station #1 was also suggested by **E. Appelwick**. The locations will be painted over this fall.
  - VI. **E. Appelwick** stated that he met with Roslyn Andrew of 5149 North Shore Drive. She said the ditch in front of her home was mowed frequently in the past. The ditch is steep with jagged rocks. She asked that the District have a contractor fix the ditch area. **E. Appelwick** explained to her the contracts for construction were completed and released several years ago; however **E. Appelwick** would bring the concern to the Board for discussion. **J. Bowen** stated the ditch is in the highway right-of-way, which is not her
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property. **E. Appelwick** will draft a letter to **R. Andrew** regarding the District's position on the restoration concern.

- VII. **E. Appelwick** discussed and distributed construction plans for 5307 Greenwood Rd. The plans have not been submitted to Duluth Township yet. The sewer line will be affected with the construction. The Board will add this to this next month's agenda.

12. **New Business:** None.

13. **Old Business:** None.

14. **Other:** None.

15. **Adjourn:** Motion to adjourn meeting by **S. Smith**. Second by **K. Bovee**. Motion passed unanimously at 8:35 A.M.

Minutes Approved by:

Chair

Date

Secretary

Date

**Next Meeting Date:** The next meeting will be held at 7:00 am at French River Lutheran Church on September 20, 2011.

Minutes taken by: Eric Appelwick  
DNSSD Mtg # 139, 081611, Minutes