

# Duluth/North Shore Sanitary District – Board of Managers

Meeting # 156 7:00 A.M January 15, 2013

French River Lutheran Church

Board Members Present: Kevin Bovee, Scott Smith, Angela Braud, Katie Kuettel  
Board Members Absent: Dean Korri  
Others Present: Mary Frances Skala, Eric Appelwick, Paul Christensen, John Fischer,  
Charles Furlong, Tom Pfeffer,

1. The meeting was called to order at 7:02 A.M. by **K. Bovee**.
2. **Approve Agenda:**
  - I. **K. Bovee** added comfort letter under Legal III. **S. Smith** added election of officers under Legal IV. **Motion** to approve Agenda as amended by **K. Kuettel**. **Second** by **A. Braud**. **Motion** passed unanimously.
3. **Meeting Minutes:**
  - I. The minutes of the regular meeting #154, November 20, 2012, **Motion** to approve the minutes by **K. Kuettel**. **Second** by **A. Braud**. **Motion** passed unanimously. The minutes of the regular meeting #155, December 18, 2012, **Motion** to approve the minutes by **K. Kuettel**. **Second** by **A. Braud**. **Motion** passed unanimously.
4. **Public Comment/Input:**
  - I. **J. Fischer** discussed his ongoing efforts to help secure more funds for D/NSSD to help with the debt.
  - II. **C. Furlong** asked about his status regarding his well location. **T. Pfeffer** stated Sandra Beck, Minnesota Department of Health (MDH), has asked for more documentation regarding C. Furlong's sewer line location. Ayres Associates is in the process of trying to schedule a conference call with MDH to further discuss what needs to happen to finalize the steps needed to demonstrate compliance. **C. Furlong** and **T. Pfeffer** discussed pressure testing the effluent lateral line to further prove its integrity. **E. Appelwick** stated pressure testing can become a difficult process that may require excavation.
5. **Communications/Correspondence:**
  - I. **S. Smith** stated that the Gardenwood Resort and Motel has contacted St. Louis County for assistance for damages that occurred during the June flood. **E. Appelwick** will be the contact for any questions that may arise.
6. **Treasurer's Report: Scott Smith**
  - Payment Of Bills:**
    - I. **Motion** by **S. Smith** to pay the bills as presented in the amount of \$78,150.34. **Second** by **K. Kuettel**. **Motion** passed unanimously.
    - II. **S. Smith** stated D/NSSD has not received any recent correspondence from KRLSD regarding their past due monthly billing.
    - III. **S. Smith** stated he spoke with Krista Duncan, State Auditor's Office, regarding the three audit findings for 2011. The first being segregation of duties. The second, pledged collateral not being more than 10% of deposits on hand for a period of 2011. The audit stated that from June 22<sup>nd</sup> through July 26<sup>th</sup> 2011, the amount was unsecured. Becky McNamara drafted a response stating the timing was due to having a settlement check from St. Louis County ACH deposit come in when the payment was made to the Public Funding Authority (PFA). **M. F. Skala** stated the bank is responsible to cover the

collateral. The third finding is that **D. Korri** is not an authorized signer at the bank. Discussion ensued regarding how many signatures are required on checks. **M. F. Skala** said the bylaws state the treasurer and one other officer must sign all orders and checks for payment of funds. The bylaw will be amended to state the treasurer and one other board member must sign.

- IV. **S. Smith** discussed the Corporate Authorization Resolution for North Shore Bank. **B. McNamara** asked that the FIOP employees Paula Bata, Accountant, Sally Hoover, Book Keeper be added as Agents. The Authorization stipulates that the Treasurer can open an account upon resolution and two Board signatures. **M. F. Skala** will work with **S. Smith** to complete the Corporate Authorization Resolution for the Board to review next month.
  - V. **S. Smith** stated **B. McNamara** has requested direction from the Board regarding fees for assessment quotes. **S. Smith** will follow up with **B. McNamara** regarding the specifics and will report back next month.
  - VI. **S. Smith** discussed the past due user account fees and when they are applicable. Fees will be assessed to past due payments that are certified to taxes starting in 2013.
7. **Legal Issues: Fryberger, Mary Francis Skala**
- I. **M. F. Skala** presented the revised Discontinuation of Service Policy to the Board. **Motion** to approve the Discontinuation of Service Policy as amended by **S. Smith**. **Second** by **A. Braud**. **Motion** passed unanimously.
  - II. **M. F. Skala** presented the revised Ordinance 1 to the Board for signatures.
  - III. **M. F. Skala** stated the state audit verifies the District does not have any pending litigation that may have an effect on the District's finances. An Attorney's Comfort Letter was sent to the Auditor verifying no pending litigation exists.
  - IV. **M. F. Skala** stated the District has the option to have their bonds refinanced August 1, 2020.
  - V. **M. F. Skala** noted the need for the election of officers. **Motion** by **S. Smith** to approve the current Board members and updated title for **A. Braud** to Second Vice Chair. **Second** by **K. Kuettel**. **Motion** passed unanimously.
8. **Engineer's Report: Ayres and Associates, Tom Pfeffer**
- I. **T. Pfeffer** discussed the concept review of the odor control options for the Ryan Road location. **T. Pfeffer** would like to review the options available and costs with the Operations Committee.
9. **Operations Committee: E. Appelwick**
- I. **E. Appelwick** stated **D. Korri** asked that the governance calendar be added to the next Operations Committee agenda.
10. **Operations Report: NTS, Eric Appelwick**
- I. **E. Appelwick** stated D/NSSD experienced a diversion of flow December 17<sup>th</sup> due to plugged lines WLSSD was repairing. The diversion went well. The tank has been pumped down. Freezing points have drained of excess water by Lind's Septic.
  - II. **E. Appelwick** and **P. Christensen (PeopleService Inc. Northern Regional Manager)** discussed the acquisition of NTS's Operations Division by PeoplesService, Inc. **E. Appelwick** stated he feels positive about the acquisition because it is a company that specializes in water and wastewater operations. PeopleService will keep the same staff, vehicles and equipment. PeopleService, Inc. will not be making any changes to

operations for D/NSSD. **P. Christensen** presented a letter of assignment to the Board for review and signature. **K. Kuettel** stated she would like the acquisition noted in the next newsletter **Motion** by **S. Smith** to approve the letter of assignment to PeopleService, Inc by February 1<sup>st</sup> pending due diligence and legal review. **Second** by **A. Braud**. **Motion** passed unanimously.

11. **New Business: None**

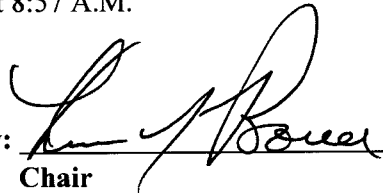
12. **Old Business:**


I. **E. Appelwick** stated he will utilize the Sy/Com quote for repair and upgrades to the main lift stations in efforts to eliminate recent problems.

13. **Other: None.**

14. **Adjourn: Motion** to adjourn meeting by **K. Bovee**. **Second** by **S. Smith**. **Motion** passed unanimously at 8:57 A.M.

Minutes Approved by:

 2.19.13  
Chair Date

 2/19/2013  
Secretary Date

**Next Meeting Date:** The next meeting will be held at 7:00 am at French River Lutheran Church on March 19<sup>th</sup>.

Minutes taken by: Eric Appelwick  
DNSSD Mtg # 156, 011513, Minutes