

NORTH ZUMBRO SANITARY DISTRICT
Joint Powers Executive Committee Regular Meeting
December 6th, 2023
11:00 A.M.
Zumbrota City Council Chambers
Zumbrota, MN

I. CALL TO ORDER

II. ROLL CALL

TB___ EH___ MB___ BG___

JM___ TR___ SO___ MO___

BA___ CB___ RS___

III. ADOPT AGENDA _____

***CONSENT AGENDA _____**

ALL ITEMS LISTED WITH AN ASTERISK (*) ARE CONSIDERED ROUTINE OR NON-CONTROVERSIAL BY THE EXECUTIVE COMMITTEE AND WILL BE APPROVED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A DIRECTOR OR ENGINEER SO REQUESTS, IN WHICH CASE THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND BE CONSIDERED IN ITS NORMAL SEQUENCE ON THE AGENDA.

- *A) Executive Committee Minutes = 11/1/2023**
- *B) Technical Committee Notes = 11/14/2023**
- *C) Bills-Accounts Payable 11/1/2023-12/5/2023**
 - 1) WHKS Invoice #49847 for \$78,331.65**

IV. PUBLIC COMMENTS

INDIVIDUALS MAY ADDRESS THE EXECUTIVE BOARD ABOUT ANY ITEM OF CONCERN. SPEAKERS MUST STATE THEIR NAME AND LIMIT THEIR REMARKS TO FIVE MINUTES. GENERALLY,

THE EXECUTIVE BOARD WILL NOT TAKE OFFICIAL ACTION ON THESE ITME SBUT MAY REFER THE MATTER TO STAFF FOR A FUTURE REPORT OR DIRECT THAT THE MATTER BE SCHEDULED FOR A FUTURE MEETING AGENDA.

V. OLD BUSINESS

- A) Facility Plans – Deadline March 2024**
- B) Fully Executed Engineering Agreement**

VI. NEW BUSINESS

- A) MNPFA Grant Application/PSIG Update – New Info**
- B) Bonding Bill Language**
- C) Senate Capital Investment Committee Recap**

VII. CLOSED SESSION

- A) Purchase Agreement Discussion**

VIII. ADJOURN

Time: _____ Motion: _____ Second: _____

NORTH ZUMBRO SANITARY DISTRICT
Joint Powers Executive Committee Regular Meeting
Wednesday, November 1, 2023 11:00 A.M.
Zumbrota City Council Chambers
Zumbrota, MN

CALL TO ORDER: Chair Elizabeth Howard.

PRESENT: Executive Committee Directors: Terri Anderson Buck - Goodhue, Elizabeth Howard – Pine Island, Michael Boulton – Wanamingo, and Brian Grudem - Zumbrota

Executive Committee Alternate Directors: Todd Roberts – Pine Island, Stuart Ohr – Wanamingo, and Michael Olson - Zumbrota

ABSENT: Executive Committee Alternate Director: Jason Mandelkow - Goodhue

ALSO PRESENT: Bill Angerman – WHKS, Glenn Gustafson – WHKS, Brandon Theobald – WHKS, Craig Britton – Widseth, and Reece Sudtelge – ISG

ADOPT AGENDA: Howard recommended the addition of letter E to Old Business, Online File Storage. Boulton motioned to adopt the amended agenda to include letter E to Old Business, Online File Storage, seconded by Buck. Passed 4-0-0.

CONSENT AGENDA: Grudem motioned to approve, Seconded by Boulton. Consent Agenda Items include: October 12, 2023 Executive Committee Meeting Minutes, October 10, 2023 Technical Committee Meeting Notes, and WHKS \$150,445.80 Bills. Howard motioned to move the WHKS \$150,445.80 Bill to Old Business D MNPFA Grant Application Update, seconded by Buck. Boulton stated that it might be better to wait for approval for the WHKS Bill until the Engineering Contract was submitted to MNPFA. Angerman stated that the JPA could approve the charge and submit for reimbursement after Engineering Contract was submitted to PFA. Gustafson asked if bills with a date before the Engineering Contract was approved were eligible. Angerman stated that invoices accrued after June 2, 2023 were eligible for reimbursement. Passed 4-0-0. Passed 4-0-0.

PUBLIC COMMENTS: N/A

OLD BUSINESS:

- A) Facilities Plan – Deadline March 2024.** Angerman stated that the engineers are still working on four facilities plans. The engineers were focusing on the Zumbrota plan as a master template in order to complete the Goodhue, Pine Island, and Wanamingo facility plans. Gustafson stated that the engineers were reviewing leading with peak flows, both current and projected loadings. Angerman stated that the engineers are working on TM #2 for proposed max wet weather flows with strength of waste. We are hoping to place this on the agenda for the December JPA meeting for consideration. The next step of the process in conjunction with the facilities plans will be anti-degradation review. This Facilities Plan will be an ongoing agenda item.
- B) Land Acquisition** – Howard stated that a Land Committee meeting is set up with Bob Vose for 11/1/2023 at 2:00PM. Angerman stated that the meeting will look at a Draft Purchase Agreement and a potential Non-Disclosure Agreement. Angerman stated that the land purchase process would need to follow the Revolving Fund Loan procedures and Federal Section 106 requirements. This process includes a number of steps, including potential appraisals. There are other additional steps provided by Anita Gallentine, MNPFA, in the Capital Improvements Manual. Olson asked how long a non-disclosure agreement would be effective. Angerman stated that the agreement should be good until the land is purchased. This could take several months.

C) Scope of Services

- a. **Engineering Contract** – Howard stated that Bob Vose of Kennedy and Graven had a few suggested language tweaks to the terms and conditions portion of the engineering contract:
- #6 - Indemnification. Vose stated that it is refreshing not to see a major limitation on the scope of the contractor's indemnification obligations. This provision is well drafted.
 - #8 - Ownership of Records. Vose recommended to add the following at the beginning of the paragraph--- “WHKS agrees to comply with the terms of the Minnesota Data Practices Act, Minnesota Statutes, Chapter 13, and all other laws relating to the collection, retention, and dissemination of data or recorded information. Subject to such obligations, all reports, plans, specifications.....”
 - #9 - Delivery of Electronic Files. Vose recommended to add the following at the beginning of the first sentence--- “Subject to WHKS's obligations pursuant to paragraph 8 above, in accepting and utilizing any.....”
 - #17 -Dispute Resolution. Vose recommended to change the paragraph to read: In an effort to resolve any conflicts that arise, Client and WHKS agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation before any lawsuit or legal action is initiated unless the parties mutually agree otherwise.”
 - #13 - Termination. Vose suggested a discussion regarding the appropriateness of 7-day notice of termination of contract. Boulton stated that the notice should be at least 35-day notice because of the monthly JPA meetings. Howard suggested 45-day notice.
- Grudem motioned to accept the recommended changes from Kennedy & Graven to go along with discussed changes to the terms and conditions portion of the engineering contract, Boulton seconded. Passed 4-0-0. Howard stated that she would send Bob Vose recommendations in an email to Angerman. Angerman will have the changes made and send back for signatures from engineering firms of WHKS, Widseth, and ISG along with the JPA. Boulton will send executed engineering contract to Anita Gallentine from MNPFA.

D) MNPFA Application and Grant Agreement Update – Boulton, with the assistance of Angerman and Gustafson submitted the MNPFA Application. Boulton stated that MNPFA had an initial concern with forming the sanitary sewer district rather than operating off of the JPA. Boulton, with the assistance of Angerman and Bob Vose, made the argument that the JPA was sufficient. The JPA worked on resolutions approving the grant agreement with the MPFA back at the beginning of September, and the first recital indicated exactly how the JPA are proceeding (formation of JPA in order to do work needed to form the District). The appropriation law is somewhat ambiguous since it refers to a “joint powers sanitary district” but a municipal joint powers and a sanitary sewer district are statutorily distinct local governmental entities. That said, there are two clear reasons that our approach (JPA first, then District later) is correct. First, the exact statutory language is:

Laws of Minnesota 2023, chapter 72, article 2, section 10, subd. 10:

For a grant to the joint powers sanitary district created pursuant to Minnesota Statutes, section 471.59, comprising the cities of Zumbrota, Goodhue, Pine Island, and Wanamingo, to acquire property for and to predesign a new state-of-the-art regional wastewater treatment facility to be located in Goodhue County and to serve as a regional wastewater facility prototype.

So, the appropriation law explicitly refers to the joint powers' statute. It doesn't mention the sanitary sewer district law. That's conclusive evidence that the legislature intended us to form a JPA under 471.59. In addition, as a practical matter, it would be fairly typical for a group of cities to first form a JPA to consider and work toward formation of a District before actually forming it. It would be strange and maybe totally unheard of for a group of cities to form a District and simultaneously form a JPA. Those would be duplicative efforts and doing that would waste public money. So, because the law expressly requires a JPA under 471.59 and because forming that first makes sense, that's what we did. Anita Gallentine and her boss ultimately agreed with the JPA over sanitary sewer district argument.

The MNPFA will be putting together an “activation memo” for the bonding money. After approved, the entire three-tiered MMB approval process can take quite a while. Anita Gallentine is working on one that after her boss approves the activation. The two other levels haven’t been approved more than 20 days later. Anita can’t order the agreement until MMB has fully approved the information that has been provided.

Boulton stated that Anita Gallentine said the JPA should apply for SWIFT number. The payments to the JPA will go through the SWIFT system. Howard stated that she would work on obtaining a SWIFT number for the JPA.

Howard brought back up the WHKS \$150,445.00 accounts payable bills. Grudem motioned to approve the \$150,445.00 WHKS bills contingent upon grant approval from MNPFA, seconded by Boulton. Passed 4-0-0.

E) Document Storage - Howard stated that the executive committee members were set up with access to the online file storage. Howard asked what the engineers wanted to for folders and access. Angerman stated engineers should have full access to online storage and modification. The technical committee should have their own folder, but not have modification access. Howard asked that Angerman email what folders should be created, who should have access, and who should be allowed to modify.

F) Lobbying Update – The JPA hosted the Minnesota House Capital Investment Committee Bonding Bill Tour – October 25th. Angerman stated that the presentation went well and the committee members had great operation and financing questions. Representatives Jacob, Altendorf, and Daniels attended the committee meeting to support the project. Angerman asked if there were additional information needed for a Senate Capital Investments Committee. Angerman stated that research into Federal Funding was needed. Boulton stated that the four Mayors along with Angerman and Britton did a great job in the presentation and had answers to the questions provided by committee members. Angerman asked when the Senate Capital Investments Committee tour would be occurring and how to get on the tour. Howard stated that she would work with Thomas Hanson of Winthrop & Weinstine to get a Senate Capital Investments Committee stop in Zumbrota. Angerman stated that the Federal “Earmark” – Community Project Funding” rules come out in March/April each year. In 2023 there was a \$3.5 million cap for each community project. Last year, each legislator could put forth fifteen projects. Last year, the criteria for wastewater treatment facilities included facilities plan completion. Once the facilities plan is completed the JPA can circle back around with Representative Finstad and Senators Klobuchar and Smith.

NEW BUSINESS: None

REPORTS: N/A

*The next meeting will be December 6, 2023 at 11:00AM.

Adjourn: At 11:42PM a motion to adjourn was made by Grudem and seconded by Buck. Passed 4-0-0.

Signed:

Attest:

Elizabeth Howard, Chair

Michael Boulton, Secretary

TECHNICAL COMMITTEE MEETING NOTES

North Zumbro Sanitary Sewer District

Goodhue, Pine Island, Wanamingo, Zumbrota

MEETING DATE: November 14, 2023

MEETING TIME: 10:00 AM

MEETING LOCATION: Zumbrota City Hall

AGENDA ITEMS:

1. Sign In

See sign in sheet

2. Status Updates

a. Land acquisition, PFA requirements

Acquisition of land and permanent easements must comply with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, known as the Uniform Act. An appraisal of the property and review appraisal may be required. Currently Kennedy and Graven is working on a purchase agreement for the property where the future treatment facility is planned.

b. MMB application

i. House Bonding Tour Presentation, 10/25/23

Presentation was given to the House Capital Investment Committee. The committee stopped in Zumbrota for approximately an hour and the presentation was nearly 40 minutes long. There were many technical questions and the committee was very engaged in the discussion.

One item of note, one of the committee members or staffers asked about a Federal allocation for the project. The packet of information the committee was given included a line item in the amount of ~\$27M under 'Federal Allocation'. We are looking into the reason it was shown that way in their information packet.

ii. Senate Bonding Tour, date TBD

The date of the Senate Capital Investment Committee tour stop is unknown at this time. It is anticipated that there will be a stop in Zumbrota where we can present to the committee, similar to the presentation that was given last year.

3. Document Exchange and Project Tracking

a. SharePoint file folders – Sent access list to Elizabeth

Elizabeth and Steven from Pine Island are working on setting up a shared folder for the Technical Committee to access. The shared folder will house agendas, meeting minutes, technical memorandums and other information. Craig checked with Elizabeth during the meeting and she explained that Steven is working on

getting it set up. We will give information on how to access the shared folder once it gets set up.

4. Facilities Plans and PEL

- a. TM 2 – MWW, PHWW, Loadings – Still finalizing Peak flows and Loadings
Currently working on Technical Memorandum 2 which will include maximum wet weather, peak hourly wet weather and loadings.
- b. Facilities plans
Bill and Glenn reviewed the requirements for the facility plans. A plan will need to be prepared for the main facility and each of the communities. The items below are required to be part of the facility plan. The facility plans are currently being worked on and will be submitted in March of 2024.
 - i. Main Facility
 - 1. Flows and loadings
 - 2. Alternative Analysis
 - ii. Lift Stations and Forcemains
 - 1. Peak flows and City Information
 - 2. Craig discuss Surveying
The district area was flown last Thursday, November 9th. This included the area of each of the Cities and proposed alignments of the forcemain from the Cities to the new treatment facility in Zumbrota. The data will be processed and the topographic information and arials will be available in approximately 8 weeks.

5. Open Discussion

- 1. *There was discussion about sewer rate increases with the new treatment facility. On average rates are approximately ~\$50 / month and if the anticipated funding is received from the legislature and PSIG, rates are projected to double.*
- 2. *Mike asked if we would consider taking 400,000 gal/yr of Red Wing's biosolids. Discussed that it makes sense since Zumbrota currently takes this much from Red Wing now.*
- 3. *Septage receiving came up again. The group felt it was a good idea to explore since the it would look good to the surrounding townships as well.*

6. Next Meeting – 12/12/23, 10:00 am

whks

engineers + planners + land surveyors

www.whks.com

PROJECT NUMBER: _____

DESCRIPTION: _____

DRAWN/CALCULATED BY: _____ DATE: _____

REVIEWED/CHECKED BY: _____ DATE: _____

SHEET: _____ OF: _____

TECH. Com. MTC 11/14/23

NAME	EMAIL	PHONE
GLENN GUSTAFSON	ggustafson@whks.com	651-895-4719
Paul L. Zelsdorf	wmtf@hc.net.net	251-0419
BRANDON THEOBALD	BTHEOBALD@WHKS.COM	507 288-3923
Brian Kennedy	WALRASIA Wanamingo.Utikristis@gmail	507 551-4713
Craig Britton	craig.britton@whksech.com	(507) 421-1494 cell
Todd Majerus	publicworksrest@ci.goodhue.mn.us	
Jason Mendelkow	publicworks@ci.goodhue.mn.us	
REESE SUDELTGTE	REESE.SUDELTGTE@ISCINC.COM	712-301-3005
Doug Alms	alms.rayner@gmail.com	651-212-0002
Todd Robertson	todd.robertson@ci.pineisland.mn.us	507-259-5301
Mike Olson	wolson@ci.zumbrota.mn.us	773-8385
BILL ANGERMAN	bangerman@whks.com	



December 1, 2023
Project No: 09870.00
Invoice No: 49847

Elizabeth Howard
Executive Committee Chair
North Zumbro Joint Powers Sanitary Sewer District
250 South Main Street
Pine Island, MN 55963

Project 09870.00 North Zumbro Joint WWTF and Conveyance

Professional Engineering Services from October 21, 2023 through November 24, 2023

Phase 011 Project Management and Administration
Technical Services 14,187.20

Total this Phase \$14,187.20

Phase 013 Executive Committee Meetings
Technical Services 1,467.05

Unit Billing

Co Vehicle Mileage
36.03

Total this Phase \$1,503.08

Phase 014 Technical Committee Meetings
Technical Services 2,311.40

Unit Billing

Co Vehicle Mileage
36.03

Total this Phase \$2,347.43

Phase 022 Pine Island Facilities Plan
Technical Services 1,260.80

Total this Phase \$1,260.80

Phase 023 Zumbrota/District Facilities Plan
Technical Services 40,583.36

Total this Phase \$40,583.36

Phase 024 Wanamingo Facilities Plan
Technical Services 4,106.56

Total this Phase \$4,106.56

Phase 026 Prepare EAW
Technical Services 1,887.68

Please remit payment to: WHKS & Co., P.O. Box 1467 Mason City, IA 50402-1467

Project	09870.00	North Zumbro Joint WWTF and Conveyance	Invoice	49847
			Total this Phase	\$1,887.68
Phase	027	Establish Effluent Limits		
Technical Services				4,015.70
			Total this Phase	\$4,015.70
Phase	031	Bonding Bill Assistance		
Technical Services				2,269.44
			Total this Phase	\$2,269.44
Phase	032	PPL, IUP, and PSIG Applications		
Technical Services				4,579.20
			Total this Phase	\$4,579.20
Phase	042	Lift Stations and Forcemains Topo Survey		
Technical Services				512.20
			Total this Phase	\$512.20
Phase	051	Main Facility Land Acquisition Assistanc		
Technical Services				1,079.00
			Total this Phase	\$1,079.00
Billing Limits		Current	Prior	To-Date
Total Billings		78,331.65	150,445.80	228,777.45
Limit				8,500,000.00
Remaining				8,271,222.55
			Total this Invoice	\$78,331.65
Billings to Date		Current	Prior	Total
Labor		78,259.59	148,671.23	226,930.82
Expense		0.00	1,561.67	1,561.67
Expense - Unit		72.06	212.90	284.96
Totals		78,331.65	150,445.80	228,777.45

From: [Bill Angerman](#)
To: [Elizabeth Howard](#)
Cc: [Brian Grudem](#); [Craig Britton](#); [Glenn Gustafson](#)
Subject: FW: [EXTERNAL] N Zumbro, PSIG's, Loan(s)
Date: Monday, November 27, 2023 3:33:26 PM
Attachments: [image003.png](#)
[image004.png](#)
[image005.png](#)

Elizabeth – Please see below from PFA. Item 1 is potentially problematic. I will give you a call to discuss tomorrow.

Thanks
Bill

William Angerman, P.E. | Executive Vice President, COO
Voice: 507.288.3923 | www.whks.com



Click [here](#) to subscribe to our newsletter.



From: Gallentine, Anita (PFA) <anita.gallentine@state.mn.us>
Sent: Monday, November 27, 2023 12:11 PM
To: Glenn Gustafson <ggustafson@whks.com>; Hower, Corey (MPCA) <corey.hower@state.mn.us>
Cc: Bill Angerman <bangerman@whks.com>; Craig Britton <craig.britton@widseth.com>; Kanuit, Katelyn (PFA) <katelyn.kanuit@state.mn.us>
Subject: [EXTERNAL] N Zumbro, PSIG's, Loan(s)

I've discussed several of the topics we discussed in our 11/15/23 conference call with the Executive Director of the PFA, and we've decided that:

1. We'd have to award the PSIG's in this project to the individual cities that qualify for the PSIG's, and only the costs associated with those cities (which would have to be presented after bidding, and be vetted by Corey at MPCA) would be eligible for PSIG reimbursement. We will only disburse PSIG funds to eligible entities for those costs, after we have full as-bid costs, and the remainder of the funding is in place. In order to disburse funds to those eligible entities, there has to be a clear, MPCA-approvable construction cost split at the time of funding.

In order to determine/calculate the award, I (or my successor Katelyn, also cc'd on this) have

to know the engineering/other costs associated with each entity. This can be done in a final PSIG budget form for each eligible entity.

The PSIG awards would reduce the loan shares for those eligible entities, but not for those not eligible for PSIG, or those not ranked high enough to “get” to the PSIG at the time of bidding/award. Some low-ranked entities “wait” for there to be adequate PSIG funds for their project, but (in my experience) this can take several legislative cycles. And, it might not happen at all.

2. We can see a way to award a single loan for the non-PSIG share of the project (less future SPAPs) to the SSD, after all the funding kinks have been worked out, including the cities each issuing a bond to the SSD as a guarantee of payment for their shares. There should also be an legally-binding agreement with each participant city and the SSD that states that the SSD will be issuing debt for this project on behalf of the entity. These two documents would be the basis of the SSD’s capital cost billing to the entities, as approved by MPCA. So, the SSD would be the borrower. All attorneys should be involved in determining what will be needed for this. We believe that if all four entities are on the IUP within fundable range, we can make the loan to the SSD, on their behalf.
3. We would not support any attempt by the SSD/entities to put a “set-aside” PSIG in a bonding bill. The PFA would strongly oppose any effort to circumvent the requirements of the existing PSIG program. The SSD’s best bet is to keep working on bonding requests.

I haven’t yet started on getting your 2023 SPAP to the SSD activated, but hope to do that this week.

Let me know if you have questions!

Anita Gallentine | Sr. Loan Officer

Minnesota Public Facilities Authority

1st National Bank Building, 332 Minnesota Street., Suite W820, St. Paul, MN 55101-1378

Direct: 651-259-7466

Anita.gallentine@state.mn.us

From: Glenn Gustafson <ggustafson@whks.com>

Sent: Tuesday, November 14, 2023 1:26 PM

To: Gallentine, Anita (PFA) <anita.gallentine@state.mn.us>; Hower, Corey (MPCA) <corey.hower@state.mn.us>

Cc: Bill Angerman <bangerman@whks.com>; Craig Britton <craig.britton@widseth.com>

Subject: RE: [EXTERNAL] RE: North Zumbro Joint Powers Sanitary Sewer District PFA funding (PSIG)

All

I have sent a meeting request for Wednesday