

MINUTES
St. Louis County Board of Commissioners Solid Waste and Septic Committee
Virginia Government Services Center; 1st Floor Liz Prebich Room; Virginia, Minnesota
October 4, 2021

Call to Order

Commissioner Nelson called the meeting to order at 10:33 a.m.

Commissioners Present: Commissioner Paul McDonald, Commissioner Keith Musolf and Commissioner Keith Nelson.

Others Present: David Fink, Diane Hildreth, Steve Pellinen, John Strukel and Mark St. Lawrence Environmental Services Department; Angela Lepak and Ryan Logan, Planning and Community Development Department; Brian Fritsinger, Administration (via WebEx); Christopher Pinkert, Attorney's Office; Bryon Ball, Sheriff's Office; Cindy Palm, Auditor's Department; Rick Crum, Northeast Technical Services (NTS); and Brett Ballavance, Stantec Consulting.

Approval of Minutes – Upon motion by Commissioner McDonald and support by Commissioner Musolf, the minutes of the May 12, 2021 Solid Waste and Septic Committee meeting were approved as presented.

Ongoing Business - Planning – On-Site Wastewater:

2021 Permit Activity:

Ryan Logan supplied the report showing over 2,200 On-Site Wastewater division applications have been received from Fast Track Gov (FTG) since March 2021. Of these, 1,800 have been directly assigned to environmental specialists. One of the tracked key performance indicators (KPI) is to issue a septic permit within 10 business days of receiving a complete application. Since tracking that indicator, they have 88% success at issuing a septic permit and 94% success with issuing compliance inspections within ten business days. Staff is working to improve this number. The division has extended its contract with Nick Bougalis to do final inspections that frees up staff time to get permits reviewed and issued.

Commissioner Nelson stated that a septic permit should be issued within five business days. County staff should receive an application and a design, and they review both to ensure the application/design meets guidelines. There should be no altering designs. There have been concerns from constituents that design changes have held things up. The role of county staff should be to approve or deny an application/design, not to change the design. Commissioner Musolf added he also had calls from constituents regarding design changes.

Ryan Logan added that any septic design needs to fall within the SSTS Ordinance 61 and MN State Rules.

Minnesota Power Lease Lots:

Minnesota Power is working to plat all their lease lots on Island Lake Reservoir, Fish Lake Reservoir and Whiteface Reservoir. Staff has started to receive calls from current property leaseholders regarding the point of sale process. Staff is now looking for guidance on how the On-Site Wastewater division should handle lease sales.

Commissioner Nelson stated that this process would be similar to the DNR shoreland leases. If the property stayed within the same ownership, there was no point of sale process triggered. Ownership is not changing, and these improvements are already existing. The County Board asked Minnesota Power to plat out Island Lake Reservoir first. The On-Site Wastewater division should work with the Land Use division in order to come up with a plan.

There may also be concerns with surveying and delineating property lines. There could be up to 100 separate plats created from these lease sites. These are being done as administrative plats because there is no way the St. Louis County Planning Commission would be able to hear all of these plats. These leaseholders are now turning to the county because Minnesota Power is not providing the answers. Commissioner Musolf stated that there is concern on Island Lake Reservoir because people are unsure what is going on.

Commissioner Nelson added that this needs to be a conversation with Planning Director Matt Johnson and Minnesota Power needs to have a contact or a help line. Commissioner McDonald stated that Matt Johnson did provide a Minnesota Power contact.

Ryan Logan stated that Minnesota Power has sent letters to leaseholders and there are now public meetings being held. The On-Site Wastewater division is in favor with the position that a septic system is considered an improvement owned by a leaseholder. Staff will do its best to stay consistent.

Nonconforming System Status:

On-Site Wastewater division staff has received phone calls from realtors confused about the whole system status process and the point of sale process. During the point of sale process, if there is not a current, valid certificate of compliance, a compliance inspection is required. Older systems do not meet today's standards. A nonconforming status definition includes not meeting vertical soil separation, dry well, leech pit, seepage pit, shoreland, food/beverage/lodging, undersized to its use, does not meet setbacks, or did not receive a final inspection. If a system is defined as nonconforming, the confusion comes when there is a noncompliant system that does require a new system. A nonconforming system is not the same as a noncompliant system. There is a current brochure that is used to highlight the point of sale process. Staff wants to provide better information and to improve education as county staff turns over with retirements and new hires.

Commissioner Nelson stated it comes down to money. For a nonconforming system, there is no additional money spent on that system. For a noncompliant system, there will be money spent. Simplicity works; make it readable to the average person and get the point across in the first paragraph. The brochure should also clarify the position for realtors that are not getting the information they need to. The biggest concern for realtors is their commission.

Ryan Logan added that realtors have language in their transfer agreement and the word "compliance" is used. Being clear and straightforward with any explanation would work.

Liquor license renewals:

When Ryan Logan joined the On-Site Wastewater division, environmental specialists were doing liquor license renewals. This renewal normally requires a sanitary checkoff or a record review to determine if there is a permit on record and being allowed to use the system. A lot of businesses are currently struggling with COVID, and the On-Site Wastewater division is looking for guidance on how to look at

liquor license renewals. Most of these establishments are on operating permits and staff looks to see if the operating permit is being renewed. For some older establishments, there is no septic record. These systems could be severely undersized. How far does staff go in a record review? If everything checks out with a system, the liquor license will be renewed. The Minnesota Department of Health also does site inspections.

The division is working with the Auditor's office to change language. This process is also being integrated into FTG.

Commissioner Nelson stated he is on the County Board liquor committee. These are questions they ask establishments. Do they have adequate sanitary facilities? Are they bringing in additional portable facilities? If there is no record of a septic system, it should be noted. If there is a need for an inspection, that establishment could get an inspection. This is something they cover for any special use or special event. As far as renewing liquor licenses, there are between 113 and 115 liquor establishments, half of them likely resorts. Virtually all of them have a septic system. This is not an insurmountable number.

Commissioner McDonald asked what information is received from the Minnesota Department of Health. Ryan Logan responded that if the Minnesota Department of Health sees anything off during their site inspection, like discharge, they may contact the On-Site Wastewater division. The Minnesota Department of Health does not look at septic systems and they have not contacted On-Site Wastewater staff. He had been told in the past that if the Minnesota Department of Health saw something or recognized a potential imminent health threat, they would notify the county.

Commissioner Nelson added that the Minnesota Department of Health is only concerned about the kitchen. There is also a well inspection as every public well is inspected on an annual basis.

Approval of 2022 Proposed Fee Schedule:

Septic fees are proposed to be based on a permit type. The permit fee will increase by 3 to 5%. The septic variance fee will be increased to be more in line with Land Use variance fees. Commercial fees are being changed instead of categorizing them based on gallons per day. These categories are being consolidated into a flat fee for commercial use. Shoreland permits will still require a higher fee than non-shoreland permits.

Commissioner Nelson added that there may be more large-scale development projects, like the one in Pike Lake, in the future. There should be a plan of development for over \$1 million projects that require a different set of guidelines.

Commissioner Nelson also asked Ryan Logan to reach out to county commissioners to talk about each district.

Ongoing Business - Solid Waste

Director's Report: Interim Director David Fink emailed the Commissioners the Director's Report. The following items from the Director's Report were discussed by the group: The Department will be submitting a job audit for the Solid Waste Intermediate and Solid Waste Worker II positions to Human Resources Department for review. Fink stated that this audit is long overdue, wages are not consistent with the Western Lake Superior Sanitary District (WLSSD) and other surrounding counties. Field staff are considered essential employees and have worked throughout the pandemic. Commissioner Nelson made a motion to have Human Resources prioritize this job audit and to get it done in a timely fashion. Supported by Commissioner McDonald. Motion carried. Additionally, Fink stated that the Department will submit a reallocation request for an existing Planner position to an Information III position. Fink stated that the Department has been extremely grateful to Mark St. Lawrence for his willingness to do the phased retirement option and continue to work with staff since his official retirement in March.

Fink has requested Environmental Trust Funds be allocated for the St. Louis County Recycling Center baler. The current baler is several years past its useful life and its usable condition has deteriorated and needs constant repairs to keep it operational. Commissioner Nelson would like Department staff to look into the feasibility of having a spare/secondary baler and also look into increasing the storage space used for housing recyclables when the baler is being repaired.

Recycling facility staff have been doing additional sorting of #1 and #2 naturals. This has greatly improved the revenue generated because the market is currently paying a premium for these materials. Fink stated the recycling facility has processed 3500 tons of materials which has generated \$500,000 in revenue in the first three quarters of 2021. In comparison, for 2020 the facility processed 5000 tons of material and generated \$316,000 in revenue and in 2019 the facility processed 5800 tons of material and generated \$240,000 in revenue.

The Department gifted a 20' enclosed trailer to the Sentence to Service (STS) Program for collection of electronics from the Department's canister sites for consolidation at the Regional Landfill (RLF) prior to haulage to end markets. Additionally, STS will provide litter pick-up along the RLF and Hibbing Transfer Station roads on a regular basis and continue to assist with larger illegal dumping and tax forfeit land clean-ups on an as-needed basis. Commissioner Nelson stated that the Department can utilize a crew from the Northeast Regional Correctional Center (NERCC) to assist with RLF road cleanup. The NERCC contact person is Wally Kostich, executive Director of Arrowhead Regional Corrections.

Fink stated that with all other options exhausted, Department staff worked with St. Louis County Public Works staff to run specific sand gradations in several local gravel pits, located and identified a gravel pit and mobilized dump trucks to deliver approximately 2,500 cubic yards of sand within two days to the RLF. This specific sand was required by the MPCA to be used as a drainage layer before placing waste in the phase 6 cell.

Also, through discussions with St. Louis County Public Works Director Jim Foldesi, a loan and repayment schedule for the Brookston transfer station road repair project was agreed upon. Construction of the road has commenced and is expected to be completed by the end of October. A similar project for the Hibbing Transfer Station entrance road is expected next year with the same specifications and similar costs anticipated. The cost of each project came in at \$375,000.

Commissioner Nelson informed the group that he continues to work with Auditor's Department staff to come up with a system to identify residents within the St. Louis County solid waste service area on their

property tax statements.

Fink stated the Solid Waste Officers of the Northeast Region (SWONER) received an MPCA grant to develop a regional solid waste management plan for the seven counties (Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, St. Louis) and WLSSD. Fink will provide updates when the regional plan is finalized.

Canister Program Review – Palm/Strukel/Pellinen:

Palm gave a PowerPoint presentation and reviewed the canister site program and Point of Sale updates with the Commissioners. In 2020 restructuring of profit and loss to individual canister sites in the county accounting system began. An analysis was created to review annual profit and loss by site with final restructuring of expenses expected to be completed in 2021. There are currently 19 canister locations across the County with varying site hours, days of operation and materials accepted. Strukel stated that staff will continue to evaluate and review possible site consolidation, closure, changes in operation hours and areas of improvement for the canister sites. Pellinen has been analyzing population numbers from census data and is also working with St. Louis County Planning Department staff to determine the number of seasonal/residential households that reside in areas near solid waste facility site locations. Discussion from the group followed. Recommendations will be made to the SW&SC Commissioners by the second quarter of 2022; with anticipated program changes for consideration in 2023.

Palm updated the Commissioners on the Point-of-Sale (POS) discussion from the last meeting. In 2021, department staff reached out to St. Louis County Information Technology (IT) Department staff to assist with the changing point of sale technology needs for solid waste facility sites, increasing internet reliability issues affecting payment processing, and keeping up with vendor technology changes. IT staff researched all sites for availability of fiber and cellular technology options, worked with the POS vendor on technical support for equipment processing issues, tested new payment processing requirements, and completed software enhancements to the Landfill Management System (LMS). The RLF and the five transfer stations take in 3.9 million dollars in POS transactions annually. Sites without POS capabilities will continue to accept coupon punch cards and manual checks as acceptable payment methods. Palm stated that the goals of the Department are to reduce high credit card and electronic check processing fees; update internet and network capability at the RLF, all transfer stations and profitable canister sites (staff will seek American Rescue Plan Act (ARPA) funding to upgrade internet capability); purchase new payment processing equipment in 2022 and eliminate carbon credit card payment acceptance through business reply mail. Department staff will continue program analysis review through 2022, create a list of recommendations based on analysis data and implement recommendations in 2023. Discussion followed. Commissioner Nelson stated the credit card fees are less than the cost of collecting bad debt incurred by the County. Commissioner Nelson would be in favor of changing municipalities from credit card payments to a billing system, but he would not be in favor of spending ARPA funds to upgrade the internet at all canister sites. Fink clarified that the internet upgrades would only be at the RLF, the five transfer stations and at profitable canister sites – County 77, French and Soudan - not all canister sites. Palm stated the preliminary estimated costs for upgrading these nine sites would be around \$710,000.

Approval: Solid Waste Disposal – Proposed Bag Fee Increase – Fink:

Fink gave a PowerPoint presentation and a brief overview to the Commissioners. Fink stated the Department is recommending a bag fee increase for 2022 as it ties directly into the canister sites profit/loss evaluation. Fink gave a breakdown of bag fee prices - from 1993 to 2014 the bag fee was \$1/bag; from 2015 until 2021 the bag fee price increased to \$1.50 per bag. Fink discussed the basic

issue is sustainability of the enterprise fund balance. Fee levels need to be increased to keep up with inflation, operation and maintenance costs and capital improvements. Fink is proposing the bag fee increase to \$2.00/bag beginning January 2022. This will increase annual revenue by an estimated \$257,000/year, which will bring canister site operations to a breakeven point. Discussion followed. Commissioner McDonald, Musolf and Nelson agreed that there is justification for a bag fee increase for 2022. The Commissioners would like a notice to go to all area cities and townships informing citizens about the bag fee increase.

Approval: Out of Service Area fees – Fink:

Fink stated that the Department had increased the Out of Service Area rates in 2021 to align with Solid Waste Management Area rates. Currently, St. Louis County does not accept any out of service area garbage. Fink stated that staff have been receiving a lot of inquiries about when St. Louis County will be accepting out of service area garbage and asked the Commissioners about consideration to accept out of service area garbage. Discussion followed. Commissioner Nelson stated he does not want to re-instate acceptance of Out of Solid Waste Management Area garbage at this time and would like to see the rates proportionally increase as well. St. Lawrence added that he met with Fall Lake Auditor staff and finalized the service fees for Fall Lake residents. The Fall Lake service fees will add approximately \$83,000 in additional revenue for St. Louis County.

Enforcement Discussion – Pinkert/Ball/Fink:

Fink updated the Commissioners on the enforcement officer position with the Department. The enforcement officer position has been a seasonal position and one of the issues is the violators have figured out that on October 15th the enforcement officer is done for the year and will not return until May 15th; at which time he will need to start the process all over again. Discussion followed. Commissioners Nelson and McDonald would like to use Environmental Trust Fund monies and make this position a year-round full-time position. Fink stated the Department will make the request.

Deputy Ball and Attorney Pinkert updated the Commissioners on enforcement issues, citations, court appearances and the number of property clean ups completed. Commissioner Nelson stated that one of the biggest issues that needs to be addressed is by the courts and would like to have discussions with the judges about the barriers in Ordinance 45 that are preventing the County from enforcing property owners to clean up their property. The same properties are in violation year after year. Deputy Ball is currently working on cleanup of 45 properties. Most of the people in violation of Ordinance 45 attempt to comply and clean up their property after a citation letter has been issued. Nelson also would like to see adjustments to Ordinance 45 regarding what the County is able to do to clean up these properties and have the clean up fees added to the property tax statements – taxpayers of St. Louis County should not be paying for these types of property tax clean ups. Attorney Pinkert informed the commissioners that he recently had three County Ordinances added to the court system. The court system did not recognize these as a violation of an ordinance because the ordinance had not been filed with the court system. Pinkert has been evaluating the ordinance from an enforcement perspective and a cost perspective to St. Louis County. Pinkert explained some situations where the property owners live out of state and will not respond to the citation letters sent to them, or the property owners are deceased and the property taxes are being paid by someone other than the owner, or the property owners do not respond to the citation letters. Attorney Pinkert stated that he has been looking at specific clean up sites. Currently, under Ordinance 62, St. Louis County does not have the ability to convert costs associated with removal of inoperable vehicles to a special assessment. Ordinance 45 has a conversion provision in it, but the definitions contained in Ordinance 45 do not deal with specific examples like the one described above. Pinkert stated that the language contained in the county ordinances needs to be cleaned up to make the

cases enforceable in court. Pinkert has been evaluating individual cases that Deputy Ball is bringing to him and whether they will be enforceable in court. St. Louis County can issue misdemeanor citations under Ordinance 62. Pinkert stated that there are mechanisms that can be added to the current ordinances, however there are limitations in the current ordinances that are problematic. These can be changed, and options can be added to current ordinances. Other counties have administrative sanctions or fees which can be converted to a special assessment against a specific property. If the special assessment fees do not get paid, the property can go tax forfeit and the county can recover monies to clean up the property. St. Louis County does not have these administrative sanctions in their ordinances. Discussion followed. Commissioner Nelson would like to see all properties with violations, including tax forfeit properties get cleaned up. Commissioner Nelson would like to see suggestions for changes to the ordinances presented at a future SW&SC meeting, preferable by the end of the first quarter of 2022, knowing the process will take considerable time to complete. Commissioner Nelson stated that he would be willing to have discussions with the Township Officers Association because these are rural issues, cities have ordinances in place to address these issues. Commissioner Nelson would also like to see the language in other county ordinances on blight cleanup. Pinkert will provide a summary of the issues within St. Louis County ordinances and propose amendments to the ordinances at an upcoming meeting. Fink stated that there is a limited amount of environmental trust fund monies available to provide dumpsters to property owners for clean-up and the department recently purchased a dump trailer to be used for clean-up on tax forfeit properties. Pinkert asked the commissioners to contact him or Fink about any other specific properties or situations that they are aware of so they can be properly addressed and used to develop and update the ordinances.

Commissioner Nelson would like future SW&SC meetings to be dedicated to one or two agenda items and a two-hour time frame so that each item can be adequately discussed, and forward progress made.

Commissioner Nelson stated that area legislators will be touring the Regional Landfill this Wednesday and invited all the commissioners to the presentation. Commissioner Nelson stated that St. Louis County is asking for 4.5 million dollars in bonding monies. At this time, Commissioner McDonald left the meeting.

Regional Landfill Update – Ballavance/Crum/Fink:

Fink gave an Energy Utilization Options for County Landfills handout to the commissioners. Ballavance explained the seven Minnesota Waste Hierarchy points from a policy setting standpoint with the group: Reduce, Re-Use, Recycle, Compost Organic Waste, Resource Recovery – Waste to Energy, Landfill with Gas Recovery and Landfill. Ballavance stated that the RLF currently utilizes landfill gas recovery for heating the recycling building. Ballavance feels the development of the RLF advanced leachate treatment is significant and when completed, will make the RLF a showcase landfill for the state. NTS/Stantec have finished a final draft report for advanced leachate treatment and submitted to Department staff. Ballavance discussed geothermal heating systems, the latest geothermal technologies, case studies and project examples for landfill based geothermal systems. Ballavance spoke to the commissioners about other options to consider would include installing and incorporating solar panels on the final cover of a closed landfill cell, using internal combustion engines to generate electrical energy, pipe landfill gas for industrial use and recycling the natural gas produced to make pipeline quality natural gas. Discussions followed.

Voyageur Landfill Update – Ballavance/Crum/St. Lawrence:

Fink gave a St. Louis County Regional Landfill Leachate Treatment System Replacement handout to the commissioners.

St. Lawrence stated that the Department is in the evaluation phase of reviewing before further negotiations for the facility can take place. Integra Appraisal Company (Integra) is scheduled to make a site visit at the end of October and will provide a report to Department staff in mid-December that would give their recommendation on the appraisal and valuation of the Voyageur Landfill. This report would be used in the negotiation process with Waste Management. The gravel reserve information provided by St. Louis County Public Works and NTS will be reviewed.

Rick Crum updated the commissioners on current and future activities at the Voyageur Landfill in regard to the environmental review. The ground water exploration study is 50% complete, the soil test pits have been dug, gravel samples have been reviewed and additional ground boring will not be necessary. It has been determined that there is a high quantity of high-quality gravel on the site. The sand boring lab results will be completed next week. Conceptual design changes have reduced the level of due diligence needed for the industrial compliance phase of the environmental review. Nelson would like an update on the Voyageur Landfill review process to be one of the agenda items at the next SW&SC meeting. Discussion followed.

St. Lawrence finished going through the Canyon MSW landfill conceptual design including the proposed landfill area, leachate spray area, leachate treatment area including the leachate ponds and manufactured wetlands, location of the maintenance buildings, material recovery facility and solar panels with the Commissioners. Department staff will continue to meet with the Stantec and NTS consultants to refine the recommendations for the Voyageur Landfill conceptual design. Discussion followed. Nelson stated that he will be discussing the Voyageur Landfill at the bonding meeting on Wednesday and is working with fellow Commissioners to commit ten million dollars of ARPA funding to this project. Nelson stated this project will take five to seven years to complete and feels the time to do it is now.

Public Comment Period: None.

Scheduling Next Meeting: The next Solid Waste and Septic Committee meeting will be scheduled sometime in January of 2022.

Adjourn: Chair Nelson declared this meeting adjourned.