

Clear Lake/Clearwater Sewer Authority
Regular Meeting Minutes
April 20, 2023

CALL TO ORDER

Vice Chair Lawrence called the meeting to order at 5:37 p.m. at Clear Lake City Hall.

ROLL CALL

Present: Vice Chair Lawrence, Members Winkelman, White, and Tasa.

Absent: Chair Goenner.

Staff Present: Director Smythe, Chief Operator Forsell, Treasurer Johnson, Operator Kirchenbauer.

A quorum was declared present.

1. APPROVAL OF AGENDA

MOTION by White to approve Agenda as presented, seconded by Winkelman, all voted aye.

MOTION CARRIED 4-0.

2. PUBLIC FORUM

None.

3. CONSENT AGENDA

a. **Approval of Minutes from February 16, 2023 Regular Meeting**

b. **Approval of Minutes from March 28, 2023 Special Meeting**

c. **Approval of Claims/Accounts Payable for February 2023**

d. **Approval of Claims/Accounts Payable for March 2023**

MOTION by White to approve the Consent Agenda as presented, seconded by Tasa, all voted aye.

MOTION CARRIED 4-0.

4. OLD BUSINESS

None.

5. NEW BUSINESS

a. 2022 Audit Report – Janel Bitzan, Bergan KDV

- Ms. Bitzan presented the 2022 audit report. She stated that the Sewer Authority is receiving an unmodified or “clean” opinion. She also noted that there were no legal or state compliance issues noted. She pointed out the only finding is for a lack of segregation of accounting duties, which is a common finding for entities this small. She estimated that we would have to hire approximately five staff to segregate sufficiently, and even then may not be completely segregated. She noted that the Board is aware of the small staff and provides oversight. Smythe pointed out the financial reports in the agenda materials and how these provide the Board with information. She also noted that the staff separate out activities as best we can.
- Ms. Bitzan noted the trend of operations, with variable revenue and increasing expenses. She also noted the declining cash balances. She reminded the Board to keep these factors in mind when setting rates so that the Sewer Authority keeps sufficient cash on hand for operations. She noted that the surcharge revenue may help in 2023, as it was only received for one quarter in 2022.
- Vice Chair Lawrence thanked the staff for their efforts in maintaining a clean audit report. She suggested the Board have a detailed discussion about rates at the 3rd quarter meeting.

b. Authorization to Purchase Mower

Forsell presented the quote to purchase a used mower from the City of Clear Lake for \$4,000. Member Tasa asked what a new mower costs. Staff estimated about \$15,000.

MOTION by Tasa to approve mower purchase, seconded by White, all voted aye. **MOTION CARRIED 4-0.**

c. Other Business

- Forsell explained the quote handed out to replace the A/C unit at the lab building. The quote is for \$4,800, excluding electrical. The unit has been going out for years and is leaking freon. Each time it is serviced runs around \$500. It gets serviced 2-3 times per year. Members were concerned about the waste of money and the environmental impact.

MOTION by Winkelman to approve A/C purchase per the quote from Air Max, seconded by White, all voted aye. **MOTION CARRIED 4-0.**

- Smythe presented the Commendation Award/Certificate that the wastewater facility received from the MPCA. Staff were congratulated and thanked for their efforts. Forsell noted that it takes everyone to keep things running every day of the year and was a group effort.

6. REPORTS

- Smythe noted that Kirchenbauer started work April 17, 2023. Things are going well.
- Smythe reported that the second set of cassette membranes had been ordered and have an expected lead time of one year.
- Forsell stated that there are no issues at the plant and things are going smoothly.
- Forsell noted that the system audit ordered earlier this year will be completed the week of May 22 by Veolia.

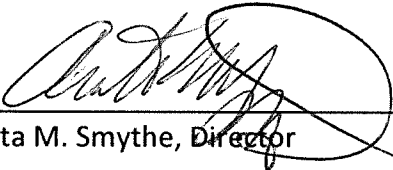
7. NEXT MEETING DATE

Next regular meeting is scheduled for June 15, 2023 at 5:30 p.m. at Clearwater City Hall.

8. ADJOURN

MOTION to adjourn by White, seconded by Tasa, all voted aye. **MOTION CARRIED 4-0.** Meeting adjourned at 6:03 p.m.

ATTEST:



Annita M. Smythe, Director

APPROVED:



Tim Goenner, Chair