

**Clear Lake/Clearwater Sewer Authority**  
**Regular Meeting Minutes**  
**October 21, 2021**

**CALL TO ORDER**

Chair Goenner called the meeting to order at 5:32 p.m. at Clearwater City Hall.

**ROLL CALL**

- Present: Chair Goenner, Members Petty, White, and Ranum. Vice-chair Lawrence arrived at 5:42 p.m.
- Absent: None.
- Staff Present: Director Smythe, Chief Operator Strande, Operators Forsell and Notch.
- A quorum was declared present.
- Guests Rich Ragatz and Chris Psihos from Ideal Energies were present via Zoom.

**1. APPROVAL OF AGENDA**

**MOTION** by White to approve agenda as presented, seconded by Petty, all voted aye. **MOTION CARRIED 4-0.**

**2. PUBLIC FORUM**

None.

**3. CONSENT AGENDA**

- a. **Approval of Claims/Accounts Payable for July 2021**
- b. **Approval of Claims/Accounts Payable for August 2021**
- c. **Approval of Minutes from August 19, 2021 Regular Meeting**
- d. **Approval of Service Agreement for Waste Hauler**

Smythe explained that the Waste Hauler had not yet responded to the requested contract changes. If they are rejected, she will bring this contract back for further consideration.

**MOTION** to approve the Consent Agenda as presented was made by Petty, seconded by Ranum, all voted aye. **MOTION CARRIED 4-0.**

**4. OLD BUSINESS**

**a. Solar Proposals**

- Rich Ragatz and Chris Psihos from Ideal Energies appeared via Zoom and presented slides outlining more details of their solar proposal. They met with both cities during the summer months, and both were in favor of obtaining additional information about the solar proposal.
- Mr. Psihos explained that they propose constructing a solar facility that would provide energy directly to the wastewater plant. The proposed solar garden subscription from IPS Solar provides \$0.01 savings per kwh where their proposal provides savings of \$0.172. Over the life of the project, the energy savings would be nearly \$2 million.
- Chair Goenner asked if we are responsible for failures if we own it at the end of the contract. Mr. Psihos stated that we would own it day 1 and that there is a warranty period. He also explained that the project is "right-sized" to maximize our savings by providing energy for about half of our need so we can subscribe to a solar garden for the rest of our energy need.
- Smythe asked how the project is paid for if the Sewer Authority owns it day 1. Mr. Psihos stated that it is a purchase/leaseback arrangement that utilizes tax credits to pay for the construction debt used to finance the facility.

- *Vice-chair Lawrence arrived at 5:42 p.m. and joined the discussion in progress.*
- Smythe asked if the Sewer Authority would be responsible for debt costs if the solar panels don't perform or generate enough energy to cover the proposed project costs. Mr. Psihos stated that there is a provision in the agreement that Ideal Energies is responsible for those costs. Smythe asked if the Sewer Authority is responsible to insure the project as the owner, Mr. Psihos responded yes, that the costs are built into the projections.
- Vice-chair Lawrence asked if it was possible to add a request for Ideal Energies to dispose of the facility at the end of the project if the Sewer Authority doesn't want it. Mr. Psihos stated that we wouldn't want to do that, as our major cost savings come at the end of the contract term when the debt is all paid. He states that the warranty period is 35 years, but the contract is 20 years. He states that the Sewer Authority won't get the maximum economic benefit of the project if it is taken offline early.
- Smythe noted that our staff don't have experience running this type of facility and asked what happens at the end of the 20 years. Mr. Psihos stated that we could get someone to run it for us for \$2,000 - 3,000 per year. Chair Goenner pointed out that these are today's costs, we don't know what maintenance costs might be in 20 years. Mr. Psihos stated these don't have much for maintenance as they are ground-mounted facilities. Chair Goenner asked about the transformers on the pole. Mr. Psihos stated this does not use the pole, it is connected to a switch gear and goes directly into our building.
- Member Petty asked if the projections in the slides are based on a 3 or 5 year history and if there are any guarantees in the contract. Mr. Psihos stated that the projections are based on statistical analysis and that there is a performance guarantee in the contract.
- Smythe noted for the Board that the attorney has not yet reviewed the agreement but would like to provide feedback before the Board takes action. He also recommends that the Board check references.
- Member Petty stated he would like more information and to discuss the contract with the attorney. However, if the Sewer Authority doesn't need the land, it should explore options. Vice-chair Lawrence stated that there is a climate issue and that the Board should explore green energy options further.
- Strande asked how much land would be used. Mr. Psihos stated they would need 2-3 acres.
- Members consensus was that a workshop to discuss further makes sense.
- Smythe requested that Ideal Energies send copies of the slides presented.

**b. Treasurer Position**

- There was discussion about the changes to the proposed contract. The City of Clearwater didn't want to tie the rates to an individual or hours because staffing could change or hours needed could change. They decided to select a rate that they thought was fair. It is lower than the current amount being paid to the current Treasurer. Smythe noted that the current Treasurer would like to be done 11/1/2021.
- **MOTION** to approve with a start date of 11/1/21 was made by Lawrence, seconded by Ranum, all voted aye. **MOTION CARRIED.**

**c. Res 2021-04 – Authorizing Change of Signatories and Check Signers**

- Members stated they would like to add all five signers listed on the resolution. After discussion, it was decided to stay with electronic signatures for check signing.  
**MOTION** by Lawrence to approve Resolution 2021-04 with the changes noted, seconded by Ranum, all voted aye. **MOTION CARRIED.**

**5. NEW BUSINESS**

**a. MRWA Award Recognition**

The Board congratulated Strande on his award from MRWA and took photos with the award.

**b. Closed Session: Strande Performance Review**

- Strande chose to have his review at the open meeting, so there was not a closed session.
- Members discussed Strande's performance. The general consensus is that he is meeting or exceeding expectations in every category. Members noted his recent award from MRWA. Smythe noted some of the positive comments from the reviews that were submitted. Strande also covered some of his accomplishments. Vice-Chair Lawrence noted that this year is the first time Strande has been consistently fully staffed and has done a good job leading the new team members. Member Petty noted that things were working well at the plant and feels the Board is getting a good grasp on the operations and budgeting.
- Members directed Smythe to write up a combined review that consolidated the feedback from everyone for Strande's file.
- Members asked about Strande's retirement plans. He confirmed that he does intend to retire at the end of the year. He will work with Smythe to get his paperwork started.

**c. Other Business**

- Smythe asked if the Board wanted to plan a workshop for further discussion of the solar proposals. Forsell noted that they had a similar project when he worked in Avon. He noted that wastewater plants require a stable power grid to avoid brownouts or surges. He is concerned that a facility that sends power directly to the plant could cause issues at the plant. Smythe also noted that some of the answers given by Ideal Energies today were not consistent with what she was told on the phone last week, and she would like our attorney to review the contracts in detail to understand how the deal works.
- Members directed Smythe to work with Chair Goenner to set up a workshop right before the next regular meeting to discuss. Smythe and Forsell will check references to get information from other wastewater operators. Smythe will also have the attorney review the draft agreement to provide details about the proposal to report to the Board.

**6. REPORTS**

- Strande reported that they are having issues with the floor drain in the MBR building. They would like to add trench-style drains to address the fact that the flooring elevations do not allow for proper draining. The staff will obtain price quotes and bring to the next meeting.

**7. NEXT MEETING DATE – DECEMBER 16, 2021 at 5:30 PM**

Next meeting will be December 16, 2021 at 5:30 p.m. at Clear Lake City Hall.

**8. ADJOURN**

**MOTION** to adjourn by Lawrence, seconded by Ranum, all voted aye. **MOTION CARRIED.** Meeting adjourned at 7:00 p.m.

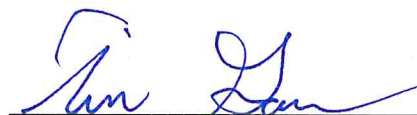
**ATTEST:**



---

Annita M. Smythe, Director

**APPROVED:**



---

Tim Goenner, Chair