

**Clear Lake/Clearwater Sewer Authority
Meeting Agenda
Thursday, January 16, 2025
5:30 p.m. at Clearwater City Hall**

**Call to Order
Roll Call**

- 1. Approval of Agenda**
- 2. Public Forum**
- 3. Consent Agenda (MOTION)**
 - a. Approval of Minutes from November 21, 2024 Regular Meeting**
 - b. Approval of Claims/Accounts Payable for October 2024**
 - c. Approval of Claims/Accounts Payable for November 2024**
 - d. Res 2025-01 – Approving Annual Appointments**
 - e. Res 2025-02 – Pre-authorization of Claims Payments**
- 4. Old Business**
 - a. Clear Lake Reimbursement for Rounds (MOTION)**
- 5. New Business**
 - a. Res 2025-03 – Approve Signatories for Sewer Authority Accounts (MOTION)**
 - b. Revisit Board Compensation (MOTION)**
 - c. Consider Amending Internal Controls Policy (MOTION)**
 - d. Other Business**
- 6. Reports**
 - a. Staff Reports**
 - b. FYI – Flow Report, Building Permit Reports**
- 7. Next Meeting Date**
 - a. Next Meeting May 22, 2025 at Wastewater Facility at 5:30 p.m.**
- 8. Adjournment**

To: Clear Lake/Clearwater Sewer Authority Board

From: Annita Smythe, Director

Date: January 16, 2025

Re: January 16, 2025 Meeting Overview

1. Approval of Agenda
2. Public Forum
3. Consent Agenda (MOTION) *(please see attached Consent Agenda items)*
 - a. Approval of Minutes from November 21, 2024 Regular Meeting *(page 3)*
 - b. Approval of Claims/Accounts Payable for October 2024 *(page 5)*
 - c. Approval of Claims/Accounts Payable for November 2024 *(page 6)*
 - d. Res 2025-01 – Approving Annual Appointments *(page 8)*
 - e. Res 2025-02 – Pre-authorization of Claims Payments *(page 9)*
4. Old Business
 - a. Clear Lake Reimbursement for Rounds (MOTION)
At the last meeting, the board discussed reimbursement to the Sewer Authority for covering rounds at Clear Lake during their staff shortage. Clear Lake Members stated they would bring a proposal to this meeting for consideration.
5. New Business
 - a. Res 2025-03 – Approve Signatories for Sewer Authority Accounts (MOTION) *(page 10)*
Authorized signers need to be updated due to the change in board members. Please see attached resolution with the updates for approval.
 - b. Revisit Board Compensation (MOTION) *(page 11)*
Chair Goenner would like to consider changes to the Board’s compensation. 2022 was the last time it was change. Please see attached proposal for consideration.
 - c. Consider Amending Internal Controls Policy (MOTION) *(page 12)*
Staff ran into some issues with equipment purchasing last year when a pump at the plant failed. Due to price increases of equipment, it required us to call a special meeting to replace the failed pump. Staff are requesting changes to the internal control policy to increase the Director’s authorization level by \$5,000 to reflect the new pricing environment. I have also made some other minor text changes to better reflect the additional levels of review for our financials. Please see proposed policy amendment with the proposed changes shown in red text.
 - d. Other Business
6. Reports
 - a. Staff Reports
 - b. FYI - Flow Report, Building Permit Reports *(page 32)*
7. Next Meeting Date
 - a. Next Meeting May 22, 2025 at Wastewater Facility at 5:30 p.m. *(page 37)*
I have included a copy of the 2025 schedule for your reference. The meetings at the Wastewater Facility are in the new shop building in the back, at the far end of the driveway.
8. Adjournment

**Clear Lake/Clearwater Sewer Authority
Regular Meeting Minutes
November 21, 2024**

CALL TO ORDER

Chair Lawrence called the meeting to order at 5:30 p.m. at the Clear Lake City Hall.

ROLL CALL

Present: Chair Lawrence, Vice Chair Goenner, Members White, Schwinghammer, and Gilliland.

Absent: None.

Staff Present: Director Smythe, Chief Operator Forsell, Plant Operator Kirchenbauer.

Staff Absent: Treasurer Johnson.

A quorum was declared present.

1. APPROVAL OF AGENDA

MOTION by Schwinghammer to approve Agenda as presented, seconded by Goenner, all voted aye.
MOTION CARRIED.

2. PUBLIC FORUM

None.

3. CONSENT AGENDA

- a. **Approval of Minutes from August 15, 2024 Regular Meeting**
- b. **Approval of Minutes from October 9, 2024 Special Meeting**
- c. **Approval of Claims/Accounts Payable for July 2024**
- d. **Approval of Claims/Accounts Payable for August 2024**
- e. **Approval of Claims/Accounts Payable for September 2024**
- f. **Quarterly Financial Report – Q2-2024**

MOTION by Goenner to approve the Consent Agenda as presented, seconded by Gilliland, all voted aye. **MOTION CARRIED.**

4. OLD BUSINESS

a. 2025 Meeting Schedule

Members reviewed the proposed meeting schedule for 2025 which moves the Board back to quarterly meetings. Member Gilliland has a conflict with May 15, 2025. Members suggested changing that date to May 22, 2025.

MOTION by Lawrence to approve the proposed quarterly meeting date schedule for 2025 with the meeting in May changed to May 22, 2025, seconded by Schwinghammer, all voted aye.
MOTION CARRIED.

5. NEW BUSINESS

a. Res 2024-05 – Approving 2025 Budget

Smythe gave an overview of the changes to the budget since the August meeting, which were minimal.

MOTION by Lawrence to approve Resolution 2024-05 – Approving 2025 Budget, seconded by Schwinghammer, all voted aye. **MOTION CARRIED.**

b. Authorize Sewer Line Repairs

Forsell explained the quotes for repairs of the clean sewer line to the river that continues to have issues with tree roots. One quote is for patches/spot repairs, the second is for lining of that stretch of pipe. Forsell recommends lining the pipe, as that will help prevent future issues. Members discussed the pros and cons of each. Member Gilliland asked if other stretches of pipe have similar issues. Forsell stated that the other sections are in better condition, but that he would need to televise them to be sure. The section closest to the river is the one that continues to have issues.

- **MOTION** by Lawrence to accept the quote from Visu-Sewer to line the pipe, seconded by Gilliland, all voted aye. **MOTION CARRIED.**

c. Weekend Coverage

Smythe outlined the concerns about weekend rounds coverage due to Clear Lake’s vacant public works position. She asked if there was a plan in place and suggested that extra coverage from the other entities be reimbursed. Members Goenner and White stated that they have had to re-post the position again but were open to a reimbursement plan until it gets filled. Members suggested that Clear Lake bring a proposal to the next meeting for the hours needed and the proposed reimbursement rate. Forsell will provide them with the rounds schedule.

d. Other Business

None.

6. REPORTS

a. Staff Reports

- Forsell stated that a draft of the renewal NDPEs permit has been issued and is out for comment.
- Forsell stated that it has been a productive year, and highlighted several improvements, including installation of the second new set of cassette membranes, replacement of several pumps, upgrades to office computers, and the rebate program through Xcel for new MBR building lighting.
- Smythe reported that Johnson has worked with the new Clear Lake staff to get the financial reports needed, and that all billing is now up to date.

b. FYI – Flow Report, Surcharge Report, Building Permit Reports

Smythe noted that the flows are still running around 57 million gallons annually, similar to last year.

7. NEXT MEETING DATE

Next meeting will be January 16, 2025 at Clearwater City Hall.

8. ADJOURN

MOTION to adjourn by Lawrence, seconded by Goenner, all voted aye. **MOTION CARRIED.** Meeting adjourned at 5:59 p.m.

ATTEST:

APPROVED:

Annita M. Smythe, Director

Andrea Lawrence Wheeler, Chair



CLEAR LAKE/CLEARWATER SEWER AUTHORITY
CHECKS FOR MONTH - OCTOBER 2024

Check #	Vendor Name	Chk Date	Chk Amt	Source	Comment	Balance
					BEGINNING BALANCE	\$ 696,771.01
Deposit	101024 REC	10/10/2024	\$ 1,431.00	101024 REC	2024 WORKERS COMP INS AUDIT A	\$ 698,202.01
Deposit	102424 REC	10/24/2024	\$ 54,012.58	102424 REC	CW AUG25 SEWER FLOW+SURCHA	\$ 752,214.59
Deposit	OCT24 INT	11/27/2024	\$ 146.40	OCT 24 INT	OCTOBER 2024 INTEREST	\$ 752,360.99
001969E	INTERNAL REVENUE SEI	10/9/2024	\$ (1,581.01)	PAYPER21_2024	FED TAX/SOC SEC/MED PAYROLL2	\$ 750,779.98
001970E	MN DEPT OF REVENUE	10/9/2024	\$ (313.72)	PAYPER21_2024	WITHHOLDING TAX PAYROLL21	\$ 750,466.26
001971E	PERA	10/9/2024	\$ (824.65)	PAYPER21_2024	PERA PAYROLL21	\$ 749,641.61
001972E	MNDCP RETIREMENT	10/9/2024	\$ (125.00)	PAYPER21_2024	MNDCP PAYROLL21	\$ 749,516.61
001973E	INTERNAL REVENUE SEI	10/24/2024	\$ (1,581.01)	PAYPER22_2024	FED TAX/SOC SEC/MED PAYROLL2:	\$ 747,935.60
001974E	MN DEPT OF REVENUE	10/24/2024	\$ (313.72)	PAYPER22_2024	WITHHOLDING TAX PAYROLL22	\$ 747,621.88
001975E	MNDCP RETIREMENT	10/24/2024	\$ (125.00)	PAYPER22_2024	MNDCP PAYROLL22	\$ 747,496.88
001976E	PERA	10/24/2024	\$ (824.65)	PAYPER22_2024	PERA PAYROLL22	\$ 746,672.23
001985E	DELTA DENTAL	10/31/2024	\$ (135.31)	OCT 24 EFT	DENTAL COVERAGE OCT24	\$ 746,536.92
001986E	REPUBLIC SERVICES	10/31/2024	\$ (409.38)	OCT 24 EFT	GARBAGE PICKUP OCT24	\$ 746,127.54
001987E	HEALTH PARTNERS	10/31/2024	\$ (2,243.01)	OCT 24 EFT	NOV24 HEALTH INS	\$ 743,884.53
001988E	ALERUS	10/31/2024	\$ (4.00)	OCT 24 EFT	OCT24 HEALTH SAVINGS	\$ 743,880.53
7069	TRI-STATE PUMP & CON	10/2/2024	\$ (13,655.43)	100224 AP	GRINDER PUMP + INSTALLATION	\$ 730,225.10
7070	UC LABORATORY	10/2/2024	\$ (1,384.32)	100224 AP	TESTING	\$ 728,840.78
7071	BANYON DATA SYSTEMS	10/10/2024	\$ (1,185.00)	101024 AP	BANYON SUPPORT	\$ 727,655.78
7072	CLEARWATER	10/10/2024	\$ (2,128.00)	101024 AP	SEPT24 ADMIN/TREASURER SVCS	\$ 725,527.78
7073	CONTINENTAL RESEARCH	10/10/2024	\$ (172.00)	101024 AP	RED SPEC BENTONITE	\$ 725,355.78
7074	FORSELL, JON	10/10/2024	\$ (90.97)	101024 AP	JON WORK JEANS	\$ 725,264.81
7075	NELSON SANITATION AND	10/10/2024	\$ (880.00)	101024 AP	TELEWISE	\$ 724,384.81
7076	C. EMERY NELSON, INC.	10/24/2024	\$ (335.02)	102424 AP	INTAKE FILTER	\$ 724,049.79
7077	FRONTIER	10/24/2024	\$ (250.07)	102424 AP	OCT24 PHONE/INTERNET	\$ 723,799.72
7078	HAWKINS INC	10/24/2024	\$ (30.00)	102424 AP	CHLORINE, SULFUR DIOXIDE	\$ 723,769.72
7079	IDEAL SERVICES, INC.	10/24/2024	\$ (108.75)	102424 AP	MEG TESTING MOTORS	\$ 723,660.97
7080	TRI-STATE PUMP & CON	10/24/2024	\$ (594.59)	102424 AP	PUMP SEAL FAIL	\$ 723,066.38
7081	U.S. BANK	10/24/2024	\$ (785.37)	102424 AP	FUEL, SUPPLIES, TRAINING	\$ 722,281.01
500160-161E	PAYROLL 21	10/9/2024	\$ (3,938.41)	PAY20240121.00		\$ 718,342.60
500162-163E	PAYROLL 22	10/23/2024	\$ (4,018.41)	PAY20240122.00		\$ 714,324.19

RECEIPTS	\$ 55,589.98
PAYROLL	\$ (7,956.82)
EXPENSES	\$ (30,079.98)
	<u>\$ 17,553.18</u>



CLEAR LAKE/CLEARWATER SEWER AUTHORITY
CHECKS FOR MONTH - NOVEMBER 2024

Check #	Vendor Name	Chk Date	Chk Amt	Source	Comment	Balance
					BEGINNING BALANCE	\$ 714,324.19
Deposit	110624 REC	11/6/2024	\$ 12,755.98	110624 REC	SEWER FLOW/SURCH CL SEPT24	\$ 727,080.17
Deposit	112324 REC	11/23/2024	\$ 106,083.30	112324 REC	SEWER FLOW/SURCH CW SEPT/OC	\$ 833,163.47
Deposit	NOV 24 INT	12/20/2024	\$ 148.74	NOV 24 INT	NOVEMBER 2024 INTEREST	\$ 833,312.21
001977E	INTERNAL REVENUE SEI	11/6/2024	\$ (1,581.01)	PAYPER23_2024	FED TAX/SOC SEC/MED PAYROLL2	\$ 831,731.20
001978E	MN DEPT OF REVENUE	11/6/2024	\$ (313.72)	PAYPER23_2024	WITHHOLDING TAX PAYROLL23	\$ 831,417.48
001979E	PERA	11/6/2024	\$ (824.65)	PAYPER23_2024	PERA PAYROLL23	\$ 830,592.83
001980E	MNDCP RETIREMENT	11/6/2024	\$ (125.00)	PAYPER23_2024	MNDCP PAYROLL23	\$ 830,467.83
001981E	INTERNAL REVENUE SEI	11/20/2024	\$ (1,566.71)	PAYPER24_2024	FED TAX/SOC SEC/MED PAYROLL2	\$ 828,901.12
001982E	MN DEPT OF REVENUE	11/20/2024	\$ (309.30)	PAYPER24_2024	WITHHOLDING TAX PAYROLL24	\$ 828,591.82
001983E	PERA	11/20/2024	\$ (824.65)	PAYPER24_2024	PERA PAYROLL24	\$ 827,767.17
001984E	MNDCP RETIREMENT	11/20/2024	\$ (125.00)	PAYPER24_2024	MNDCP PAYROLL24	\$ 827,642.17
001997E	ALERUS	11/30/2024	\$ (4.00)	NOV 24 EFT	NOV24 HEALTH SAVINGS	\$ 827,638.17
001998E	HEALTH PARTNERS	11/30/2024	\$ (2,675.67)	NOV 24 EFT	DEC24 HEALTH INS	\$ 824,962.50
001999E	REPUBLIC SERVICES	11/30/2024	\$ (408.04)	NOV 24 EFT	GARBAGE PICKUP NOV24	\$ 824,554.46
002000E	DELTA DENTAL	11/30/2024	\$ (135.31)	NOV 24 EFT	DENTAL COVERAGE NOV24	\$ 824,419.15
7082	FASTENAL COMPANY	11/6/2024	\$ (245.89)	110624 AP	STD CAP PLT FLTR	\$ 824,173.26
7083	GREAT NORTHERN ENV	11/6/2024	\$ (350.00)	110624 AP	CHANGE BELTS AND MAINTENANC	\$ 823,823.26
7084	HAWKINS	11/6/2024	\$ (11,202.04)	110624 AP	ALUMINUM SULFATE, AZONE 15	\$ 812,621.22
7085	NELSON SANITATION AN	11/6/2024	\$ (2,140.00)	110624 AP	TELEWISE, JETTING/ROOT CUT, CLI	\$ 810,481.22
7086	UC LABORATORY	11/6/2024	\$ (2,332.45)	110624 AP	TESTING	\$ 808,148.77
7087	CLEARWATER	11/23/2024	\$ (2,128.00)	112324 AP	OCT24 ADMIN/TREASURER SVCS	\$ 806,020.77
7088	ELECTRIC MOTOR SERV	11/23/2024	\$ (78.21)	112324 AP	BUSHING, NOTCHED V BELT	\$ 805,942.56
7089	FRONTIER	11/23/2024	\$ (263.65)	112324 AP	NOV24 PHONE/INTERNET	\$ 805,678.91
7090	HAWKINS	11/23/2024	\$ (20.00)	112324 AP	SULFUR DIOXIDE, CHLORINE	\$ 805,658.91
7091	NORTH CENTRAL LABOF	11/23/2024	\$ (86.30)	112324 AP	GLASS FIBER FILTERS	\$ 805,572.61
7092	NORTHLAND REFRIGER	11/23/2024	\$ (890.00)	112324 AP	FALL INSPECTION	\$ 804,682.61
7093	SELECT ELECTRIC	11/23/2024	\$ (2,348.00)	112324 AP	COVERT LIGHTS TO LED	\$ 802,334.61
7094	TRI-STATE PUMP & CON	11/23/2024	\$ (400.00)	112324 AP	INSTALL HYDROMATIC PUMP	\$ 801,934.61
7095	U.S. BANK	11/23/2024	\$ (1,148.72)	112324 AP	SUPPLIES, REPAIRS, FUEL	\$ 800,785.89
7096	W. W. GOETSCH ASSOC	11/23/2024	\$ (15,860.00)	112324 AP	HYDROMATIC MODEL PUMP	\$ 784,925.89
500164-165E	PAYROLL 23	11/6/2024	\$ (3,938.41)	PAY20240123.00		\$ 780,987.48
500166-167E	PAYROLL 24	11/20/2024	\$ (4,037.13)	PAY20240124.00		\$ 776,950.35

RECEIPTS \$ 118,988.02
PAYROLL \$ (7,975.54)
EXPENSES \$ (48,386.32)
\$ 62,626.16

CLEAR LAKE SEWER AUTHORITY
***Cash Balances-Audit Summary©**

12/20/24 7:50 PM

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Current Period November 2024

Fund	General Ledger	-----Transactions-----				
10100 ASB						
101 GENERAL OPERATI						
			<u>Contra Entries</u>		<u>Cash Account used in the Transaction</u>	
GL Begin Bal	\$618,789.39	= - Disbursements	\$467,528.54	+ Transfers	\$0.00	Disbursements/(Receipts)
+ Debits	\$858,306.86	+ Receipts	\$723,091.39	+ Journal Entries	(\$3,864.53)	Includes Startup (if any)
- Credits	\$700,145.90			+ JE Payroll	(\$93,537.36)	
GL Balance	\$776,950.35			Transaction Balance	\$776,950.35	In Bal
301 CAPITAL IMPROVEM						
			<u>Contra Entries</u>		<u>Cash Account used in the Transaction</u>	
GL Begin Bal	\$0.00	= - Disbursements	\$0.00	+ Transfers	\$0.00	Disbursements/(Receipts)
+ Debits	\$0.00	+ Receipts	\$0.00	+ Journal Entries	\$0.00	Includes Startup (if any)
- Credits	\$0.00			+ JE Payroll	\$0.00	
GL Balance	\$0.00			Transaction Balance	\$0.00	In Bal
All Fund	GL Begin Bal	+ Receipts	- Disbursements	+ Journal Entries	+ JE Payroll	Balance
	\$618,789.39	\$723,091.39	\$467,528.54	(\$3,864.53)	(\$93,537.36)	\$776,950.35

CLEAR LAKE/CLEARWATER SEWER AUTHORITY

The Clear Lake/Clearwater Sewer Authority held its regular meeting at 5:30 p.m. in the Clearwater City Council Chambers on Thursday, January 16, 2025.

The following Authority Members were present: Goenner, Lawrence, Janish, Everett, and Gilliland.

The following Authority Members were absent: None.

A motion to adopt the following resolution was made by _____ and seconded by _____.



**RESOLUTION 2025-01
APPROVING ANNUAL APPOINTMENTS**

WHEREAS, the Sewer Authority for the Cities of Clear Lake and Clearwater, Minnesota shall make appropriate designations and appointments for the calendar year 2025.

NOW, THEREFORE, BE IT RESOLVED, that the following appointments are hereby approved:

Chair: Clear Lake Mayor Tim Goenner
Vice Chair: Clearwater Mayor Andrea Lawrence Wheeler
Member At-Large: Lance Gilliland

Official Depository: Lake Central Bank
Official Newspapers: Sherburne County Citizen and Patriot News

Auditor (2024 Financial Statements): Bergan KDV/Creative Planning
Engineer: Director shall bring in as needed on a project basis
Attorney: Kennedy & Graven (Dave Anderson)

Authority members voting in favor:

Opposed or Abstained:

Adopted by the Sewer Authority this 16th day of January, 2025.

ATTEST:

APPROVED BY:

Annita M. Smythe, Director

Tim Goenner, Chair

CLEAR LAKE/CLEARWATER SEWER AUTHORITY

The Clear Lake/Clearwater Sewer Authority held its regular meeting at 5:30 p.m. in the Clearwater City Council Chambers on Thursday, January 16, 2025.

The following Authority Members were present: Goenner, Lawrence, Janish, Everett, and Gilliland.

The following Authority Members were absent: None.

A motion to adopt the following resolution was made by _____ and seconded by _____.



**RESOLUTION 2025-02
PRE-AUTHORIZATION OF CLAIMS PAYMENTS**

BE IT RESOLVED that the Director and Treasurer or designee are hereby authorized to issue payments drawn of funds of the Sewer Authority for the following expenditures:

all utilities, including electrical, heating fuel, telephone, water, and sewer; postage; payroll activity; payment of sales taxes; registrations; other miscellaneous taxes; expenses subject to finance charges; and payments required under contracts or that have been otherwise pre-authorized by the Sewer Authority Board.

BE IT FURTHER RESOLVED that the Sewer Authority hereby authorizes these payments to be made by electronic funds transfers or wire transfers, if necessary, subject to the following conditions:

- all electronic funds transfers or wire transfers shall be documented in writing and approved by the Director;
- a written confirmation for each transaction shall be obtained; and
- a complete list of all electronic transactions for the month shall be presented to the Sewer Authority Board at each regular meeting as part of the claims approval process.

Authority members voting in favor:

Opposed or Abstained:

Adopted by the Sewer Authority this 16th day of January, 2025.

ATTEST:

APPROVED BY:

Annita M. Smythe, Director

Tim Goenner, Chair

CLEAR LAKE/CLEARWATER SEWER AUTHORITY

RESOLUTION 2025-03

AUTHORIZING SIGNATORIES FOR SEWER AUTHORITY ACCOUNTS

BE IT RESOLVED that the Clear Lake/Clearwater Sewer Authority hereby approves the following authorized signatories for all funds owned, managed, or maintained by the Clear Lake/Clearwater Sewer Authority:

Tim Goenner, Sewer Authority Chair
Stefany Janish, Sewer Authority Member
Andrea Lawrence Wheeler, Sewer Authority Vice-Chair
Annita Smythe, Sewer Authority Director
Sarah Johnson, Sewer Authority Treasurer.

BE IT FURTHER RESOLVED that all signatories previously approved are hereby repealed and replaced by those listed in this Resolution 2025-03.

BE IT FURTHER RESOLVED that checks issued by the Clear Lake/Clearwater Sewer Authority shall be electronically signed by at least one authorized signer from each city.

Board Members voting in favor:

Opposed or Abstained:

Adopted by the Clear Lake/Clearwater Sewer Authority this 16th day of January, 2025.

ATTEST:

APPROVED BY:

Annita M. Smythe, Director

Tim Goenner, Chair

Sewer Authority - Payroll Budget approved 11/21/24

Reflects a 4% COLA Adjustment

Position	Hours/Yr	2024 Rate	2025 Rate	Total Wages	Taxes & Benefits	Total Compensation
Chair		1,000.00	1,000.00	1,000.00	76.50	1,076.50
Vice Chair		800.00	800.00	800.00	61.20	861.20
Board Member		800.00	800.00	800.00	61.20	861.20
Board Member		800.00	800.00	800.00	61.20	861.20
Board Member		800.00	800.00	800.00	61.20	861.20
		4,200.00	4,200.00	4,200.00	321.30	4,521.30
Director	Contract	20,762.00	21,385.00	21,385.00	n/a	21,385.00
Treasurer	Contract	4,774.00	4,917.00	4,917.00	n/a	4,917.00
Chief Plant Operator	2,080	38.42	\$ 39.96	83,116.80	29,837.72	112,954.52
Plant Operator	2,080	35.21	\$ 36.62	76,169.60	35,732.73	111,902.33
				\$ 193,988.40	\$ 66,213.05	\$ 260,201.45

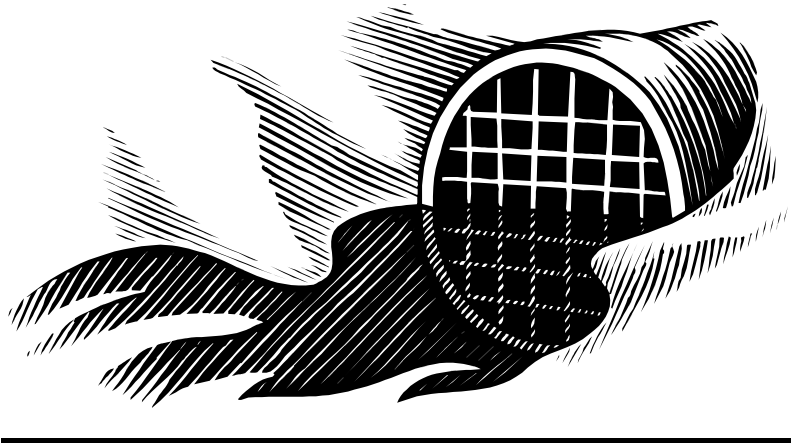
Sewer Authority - Proposed Payroll Budget for Board

Proposal effective 01/01/2025

Position	Hours/Yr	2025 Approved	2025 New Proposal	Total Wages	Taxes & Benefits	Total Compensation
Chair		1,000.00	1,200.00	1,200.00	91.80	1,291.80
Vice Chair		800.00	900.00	900.00	68.85	968.85
Board Member		800.00	900.00	900.00	68.85	968.85
Board Member		800.00	900.00	900.00	68.85	968.85
Board Member		800.00	900.00	900.00	68.85	968.85
	Total	4,200.00	4,800.00	4,800.00	367.20	5,167.20

Approved Board pay reflects rate of \$125/mtg for Chair and \$100/mtg for Board. Budgeted at 8 mtgs.

Proposal reflects \$200/mtg for Chair and \$150/mtg for Board. Mtgs adjusted to 6 mtgs, per new schedule.



Internal Accounting Control Procedures

The Clear Lake/ Clearwater Sewer Authority wants to ensure public confidence and retain a financially healthy Community. Therefore, it is the intent of the Internal Accounting Control Procedures to provide guidelines that will sustain the fiscal integrity, and ensure proper accountability of the fiscal management of the Sewer Authority.

Amended 02/16/2023
Proposed Amendment 01/16/2025

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I. Disbursement and Payment of Claims

Goal

The goal of the Sewer Authority in establishing an internal control system for cash disbursements is to safeguard the assets of the Authority and to ensure an appropriate level of fiduciary responsibility.

Objective

The objective of the Sewer Authority in meeting this goal is to ensure that cash is disbursed only upon proper authorization of management for valid governmental purposes, and that all disbursements are properly recorded.

Procedures

1. Segregation of Duties

No financial transaction shall be handled by only one person from beginning to end.

- a. Payment of all claims shall be authorized by the appropriate department supervisor, the Director, and the Sewer Authority.
- b. Invoices shall be coded by the appropriate department supervisor and then submitted to the Treasurer for recording and processing of payment.
- c. Checks shall be signed by the Chair and the Vice Chair. In the absence of either the Chair or Vice Chair, the other authorized signers shall be designated to sign checks. Checks are signed by electronic signature as approved by the Sewer Authority on 2-22-2018.
- d. Bank reconciliations shall be prepared at the close of each month by the Treasurer **and reviewed/approved by the Director.**
- e. Financial reports shall be prepared by Treasurer and presented to the Authority on a quarterly basis.
- ~~f. Office supplies shall be ordered and coded by department supervisors, through the Treasurer **and approved by the Director. When invoices are received the Treasurer shall indicate which department the supplies are to be allocated to.**~~
- g. The Treasurer will mail out all properly processed and signed checks. Check stubs will be attached to the invoice and filed accordingly. **A report of claims paid will be prepared and presented to the Board at regular meetings.**

2. Accounting Controls

General Disbursements

- a. All general disbursements will be approved in advance by the Sewer Authority. The following exceptions may be made upon approval by the Director:
 - Debt service payments, including principal, interest, and fiscal agent fees
 - Payroll and related liability payments
 - Investment purchases
 - Sales tax payments
 - Postage replenishment
 - Contract or other payments that have specific Sewer Authority pre-approved payment instructions
 - Payments in which a substantial discount can be realized by timely payment
 - Payments where a substantial late charge would be incurred if timely payment was not made
 - Payments for regular/reoccurring monthly expenditures
 - Other General expenditures as outlined in Section 4 Capital and General Expenditures
- b. All general disbursements, other than from payroll, petty cash, or made electronically, will be made by pre-numbered checks.
- c. It is not permissible to draw checks payable to Cash.
- d. Under no circumstances will blank checks be signed in advance.
- e. Expenditures must be approved in advance by authorized person(s) as defined within this policy, with the exception of those items as outlined in (a) above and those outlined in Section 4 Capital and General Expenditures.
 - The Authority will not honor a claim for services or a reimbursement request for services that were provided or performed without prior authorization or a binding contract between that individual or provider and the Authority. In the event that a claim is submitted to the Authority for work or service without Authority authorization, the claim will be disallowed and marked accordingly. Authority staff shall return a copy of the claim to the claimant identifying the reason for denial.
 - Disallowed claims shall be so marked and kept in a file for an appropriate time period.
- f. All signed checks will be mailed promptly by the Treasurer or Director.
- g. Invoices will be filed with the check stub that identifies the date paid, amount of check and check number.
- h. Invoices and requests for reimbursement will be checked for accuracy and reasonableness before approval.

- i. A monthly check register will be prepared that details the date of the check, check number, amount of check, and description of expense account to be charged.
- j. Unpaid invoices shall be maintained in an **unpaid invoice file**.
- k. Expense reports for travel related expenses shall be submitted on a timely basis, per the Personnel Policy.
- l. Checks by which claims are paid shall have printed on the reverse side, above the space for endorsement: "The undersigned payee, in endorsing this check declares that the same is received in payment of a just and correct claim against the Clear Lake/Clearwater Sewer Authority, and that no part of it has heretofore been paid."
- m. In accordance with M.S. 471.425, subd. 2, claims of the Authority shall be paid within 35 days from the date of receipt, or as otherwise stipulated by the terms of a contract. Claims not paid within this time frame will be subject to penalty and interest charges assessed by the vendor, as provided for in M.S. 471.425, subd. 4.

Electronic or Wire Transfers

- a. All Electronic and Wire Transfers will generally be for:
 - Debt service payments, including principal, interest, and fiscal agent fees
 - Payroll and related liability and benefit payments
 - Investment purchases
 - Sales tax payments
 - Building Permit Surcharge payments
- b. The Director will document the process and anticipate the funds to be wired to the designated depository on a particular date and time.
- c. The Director will obtain notification from the depository that the wire transfer has been made.
- d. The depository will deliver a wire transfer receipt to the Director who in turn provides that information to the Treasurer.
- e. The Treasurer will prepare any appropriate general ledger transactions, including payments and adjusting journal entries.
- f. All journal entries shall be reviewed and initialed by the Director.

- g. The Treasurer will include electronic or wire transfers on each Claims Listing report.

Credit Cards

- a. In accordance with Minnesota Statute § 471.382, the Authority may authorize the use of a credit card by any employee otherwise authorized to make a purchase on behalf of the Authority. If an employee makes or directs a purchase by credit card that is not approved by the Authority, the employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or Authority policy applicable to purchases.
- b. Credit card purchases shall not be allowed except as legally provided for under M.S. 471.382 and by authorization of the Authority.

II. Cash Receipts

Goal

The goal of the Authority in establishing an internal control system for cash receipts is to safeguard the assets of the Authority and to ensure an appropriate level of fiduciary responsibility.

Objective

The objective of the Authority in meeting this goal is to ensure that all cash intended for the Authority is received, promptly deposited, properly recorded, reconciled, and kept under adequate security.

Procedures

1. Segregation of Duties

No financial transaction shall be handled by only one person from beginning to end.

- a. The Treasurer will be responsible for receiving all cash payments to the Authority, whether by mail or in person.
- b. The Treasurer will be responsible for preparing deposits of cash receipts and coding and recording the same in the general ledger accounts of the Authority.
- c. The Treasurer will be responsible for delivering the deposits to the designated depository.
- d. Deposit journals will be sent to the Director for approval.
- e. Invoices for Authority services shall be prepared by the Treasurer. An accounts receivable register will be maintained by the Treasurer.

- f. All bank statements shall be sent to the Director and reviewed/approved during the bank reconciliation process.

2. Accounting Controls

The following common internal controls relate to all receipts:

- a. All receipts including cash, checks, electronic receipts, and wire transfers will be accounted in the general ledger.
- b. All cash and check receipts will be entered into the general ledger in the form of a receipt batch by the Treasurer. All electronic receipts and wire transfers will be entered into the general ledger in the form of a separate receipt batch or adjusting journal entry per occurrence.
- c. Each individual receipt will include the date, amount, remitter, appropriate accounting code, description of the receipt, and initials of the Authority employee receiving the payment.
- d. The receipt batch total will be reconciled and agreed to the total of all cash, check, or electronic receipts to be deposited.
- e. All cash and check receipts will be deposited at least weekly.
- f. All deposits will be made by the Treasurer.
- g. A bank receipt will be attached to a copy of the deposit slip by the Treasurer, who will compare for accuracy.
- h. All transactions shall be reviewed and approved by the Director.

III. Petty Cash / Imprest Funds

Goal

The goal of the Sewer Authority in establishing an internal control system for an imprest fund is to safeguard the assets of the Authority and to ensure an appropriate level of fiduciary responsibility.

Objective

The objective of the Sewer Authority in meeting this goal is to provide guidelines for the use, safekeeping and reporting standards of the imprest fund, while allowing for small purchases or reimbursements to be made from said fund in accordance with M.S. 412.271, subd. 5.

Procedures

1. Segregation of Duties

The petty cash fund is available to staff to make small purchases or reimbursements, in cash, for items such as postage, office supplies, parking, etc., using the following guidelines:

- a. The Treasurer shall be the custodian of the Petty Cash Fund and will be the only person to have access to the cash.
- b. The Director must approve all withdrawals from the Petty Cash Fund.
- c. The custodian of the Petty Cash Fund shall be responsible for reconciling the fund on a monthly basis and submitting an expense report to the Director.
- d. The Treasurer will make the appropriate entries to record the expenses and will arrange for replenishment of the Petty Cash Fund. A Petty Cash Fund report will be provided to the Authority on a quarterly basis.

2. Accounting Controls

The following guidelines will govern the use and keeping of the Petty Cash Fund.

- a. The Petty Cash Fund will not exceed the amount of \$150.
- b. The Petty Cash Fund will be kept by the custodian in a locked cash box. The locked box shall be kept in a secure place. Payment for items costing over \$25 must be made by check rather than reimbursed through petty cash.
- c. Withdrawals from the Petty Cash Fund will be made only by completing a Petty Cash Voucher. The voucher must state the date and amount of the withdrawal, the reason the cash was withdrawn, the expenditure account to which the expense should be charged, and the name and signature of the person receiving the cash. The voucher shall also contain the signature of the Director approving the withdrawal.
- d. Supporting documentation (receipts, invoices) must be attached to each voucher.
- e. Unannounced counts of petty cash and change will be made on occasion by the Director.

- f. No staff member shall be allowed to cash personal checks, including pay checks, in the petty cash or change funds of the Authority.
- g. Under no circumstances shall staff members be permitted to borrow from petty cash or change funds for personal use.

VI. Capital and General Expenditure Policy

Goal

The goal of this policy is to maintain appropriate procedures regarding the procurement, management, and disposal of all fixed assets, and to establish and monitor fiscally responsible spending practices.

Objective

To ensure proper accountability and stewardship of the resources available for capital and general expenditures, while maintaining a safe and healthy working environment for all employees and high-level service to the residents of Clear Lake and Clearwater.

Purchasing Procedures

1. Approval

Appropriate approval for all capital and general expenditures must be obtained, including department head approval and final approval by the Director.

Certain items purchased regularly from the same vendor do not require prior approval. These items include bulk fuel purchases, periodical subscriptions, memberships, uniforms, or any other items specifically exempted by the Director and/or Authority.

These procedures apply to the purchase of supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property. All purchases must be consistent with the approved annual budget. The Authority and staff acknowledge that the budget is a tool used for fiscal responsibility. The Authority and staff acknowledge and understand that specific line items may exceed the budgeted amount. The Authority and staff will endeavor to remain on budget.

All telephone or verbal quotes must be followed with written confirmation.

In addition, the following approval procedures apply:

Purchases of less than \$1,000

The purchase may be made in the open market by an authorized purchaser. Authorized purchasers are strongly encouraged to seek quotations from several vendors if the anticipated cost approaches \$1,000.

Purchases from \$1,000 to ~~\$2,500~~ \$5,000

The purchase should be based on a minimum of three (3) quotations unless alternate sources are not available. If alternate sources are not available, documentation shall be provided to show attempts to obtain additional quotes or which shows that the quoting vendor is the sole source of the item. Quotations must have a specific date and time period for which they are valid. All quotations should be kept on file for a minimum of one (1) year and include the names of vendors providing the quotations, the amounts of the quotations, and each successful quotation signed and dated. Department Head approval is required. Department Heads are encouraged to consult with the Director prior to a purchase being made.

Purchases from ~~\$5,000~~ ~~\$2,501~~ \$15,000 \$10,000

The purchases should follow the procedure for purchases between \$1,000 and \$2,500 but are required to be reviewed by and approved by the Director.

Purchases from ~~\$15,000~~ ~~\$10,001~~ to \$175,000

The proposed purchase must be presented to the Director and Sewer Authority Board for approval before the commencement of the purchasing process. The purchase may be made either via sealed bids or by obtaining three (3) or more written quotations, unless alternate sources are not available. If alternate sources are not available, documentation shall be provided to show attempts to obtain additional quotes or which shows that the quoting vendor is the sole source of the item. Advertising for bids or otherwise complying with the requirements of competitive bidding laws will not be required for purchases whose price is below \$175,000. Quotations must have a specific date and time period for which they are valid. All quotations should be kept on file for a minimum of one (1) year and include the names of vendors providing the quotations, the amount of the quotations, and each successful quotation signed and dated. The quotations must be forwarded to the Director and Sewer Authority Board for selection and approval.

Purchases exceeding \$175,000

The proposed purchase must be presented to the Sewer Authority Board for approval before the commencement of the purchasing process. Purchases or contracts exceeding \$175,000 require formal sealed bids solicited by public notice in accordance with Minnesota Statute 471.345, Subd.3. The purchaser shall prepare or cause to be prepared, the specifications, the advertisement to solicit sealed bids, the opening and tabulation of bids, and any necessary investigation of the bids. The Authority's designated representative shall recommend to the Authority which bid is the lowest, responsible bid. The Authority shall determine the lowest responsible bidder and shall accept such bid. In all cases, the Authority reserves the right to accept or reject any or all of the bids and waive informalities therein.

The Authority has reasonable discretion in determining the lowest responsible bidder. Not only must a successful bidder submit the lowest bid price and substantially meet the terms and conditions of the specifications, the low bidder must be considered “responsible” and have the capacity to perform the proposed contract. “Responsibility” includes such considerations as the bidders’ financial responsibility, integrity, ability, skill, and likelihood of providing faithful and satisfactory performance. There is more latitude in purchasing items of equipment not capable of exact specifications. In making such a purchase, the Authority may exercise reasonable discretion in determining the lowest responsible bidder. The Authority may consider, in addition to the bid price, the quality, suitability, and adaptability of the article for its intended use.

2. Competitive Bidding

In accordance with M.S. 471.345, the Authority will use the competitive bidding process for contracts and purchases that exceed \$175,000; excepting those purchases made through the State of Minnesota Cooperative Purchasing Venture (CPV) Program. A bid bond in the amount of 5% of the bid is required when using the competitive bidding process to ensure that the successful bidder enters into a contract with the Authority. In addition, a performance bond and a payment bond are required for all services exceeding \$75,000, as defined by M.S.574.26. All contractors, regardless of the amount of contract for services, are required to complete Department of Revenue Form IC-134 before final payment.

Exclusions from Competitive Bidding Requirements

It is not legally necessary to advertise for bids for:

1. Professional services such as those provided by doctors, engineers, lawyers, architects, accountants, and other services requiring technical, scientific, or professional training. Before contracting any professional service over \$30,000, Authority approval is required. The Authority will decide if quotations or bids are appropriate even though not legally required;
2. The purchase or lease of real estate;
3. The purchase of non-competitive products patented or obtainable from only one source. Demonstration of this circumstance must meet statutory requirements for a “sole source vendor” purchase.

3. Price Agreements

Price agreements may be used to acquire items the Authority frequently purchases in small quantities, i.e. gasoline, propane, and heating fuel. A price agreement is a contract between the Authority and a vendor. Under it, the vendor agrees to supply all of the Authority’s requirements for the specified commodity during the period of agreement. The price may be fixed or variable, such as a fixed discount from market price. Such price agreements expedite

delivery, reduce paperwork, and generally result in lower prices. The procedure for “Purchases of less than \$1,000” applies.

4. Emergency Purchasing

When an emergency occurs that may jeopardize public safety or the health and welfare of employees or citizens, department heads may authorize a necessary emergency purchase. Department head emergency purchases and the reason for the purchase shall be reported in writing to the Director within 24 hours. At least two (2) competitive quotations should be utilized whenever possible as part of the process.

In an emergency situation, the Authority may dispense with the bidding requirements of state contract law. Before deciding if an emergency exists, the Authority shall consult with a competent attorney.

5. Disaster Purchasing

The Chair may declare a local disaster or emergency. The declaration shall not be continued for a period in excess of three (3) days except by, or with the consent of, the Authority. A disaster may result from fire, flood, tornado, blizzard, destructive winds, or other natural causes, or from sabotage, hostile action, or from hazardous material mishaps or catastrophic measures, or emergencies that are technological in nature.

During a declared emergency, the Authority may enter into contracts and incur obligations necessary to combat the disaster by protecting the health and safety of persons and property, and providing assistance to victims of such disasters. The Authority may exercise such power as deemed necessary without complying with purchasing procedures prescribed by law pertaining to the performance of public work, entering into rental equipment agreements, purchase of supplies and materials, limitations upon tax levies, and the appropriation and expenditures of public funds, including, but not limited to, publication of resolutions, publication of call for bids, provisions of personnel laws and rules, provisions related to low bids, and requirement for budgets.

6. Cooperative Purchasing

The Authority may increase savings from bulk discounts by making purchases jointly with one or more governmental units through joint powers agreements. Under these programs, several governmental units can enter into an agreement to authorize one party to solicit bids and provide for the purchase at the option of each participating governmental unit. Once the governmental units agree on the specifications of the item, one party may advertise for bids on behalf of all the parties that participate in the agreement. Rather than specify a specific number of items, the advertising participant will advertise for a range of quantities estimated for the entire group. Each participating unit can make the final decision on whether to purchase the items from the successful bidder.

The Authority may also participate in the Cooperative Purchasing Venture (CPV) administered by the Minnesota State Board of Administration.

7. Disposal and Acceptance of Fixed Assets

Fixed Asset - Equipment, property, buildings, vehicles and improvements that have an original or historic cost of \$5,000 or more, and meet the following criteria in Exhibit A:

Exhibit A:

Land Improvements: Landscaping Paving projects Fencing, signs, and other	5-15 years 15-20 years 10-20 years
Buildings	40 years
Building Improvements	20-40 years
Infrastructure and Infrastructure Improvements: Roads Water Systems Sanitary Sewer Systems Storm Sewer Systems	30 years 40 years 40 years 40 years
Furniture & Fixtures	5-10 years
Vehicles: Light general purpose Heavy general purpose Fire Trucks	5 years 7-10 years 15-20 years
Equipment: Computer and Peripherals (Hardware) Computer (Software) Office Fire Street/Sewer	3-5 years 3 years 3-7 years 5-10 years 5-10 years
Machinery	10-20 years
Leasehold Improvements	15-25 years

Equipment

- a. the item retains its original shape and appearance with use;
- b. it is non-expendable (not a supply);
- c. it represents an investment;
- d. it does not lose its identity by incorporating it through a different or more complex item;
- e. includes furniture but excludes built-in equipment which is considered part of the building;

- f. the item is not a repair part.

Property

- a. initial acquisition of real estate;
- b. improvements such as trees, shrubs, wells, septic systems, walkways, driveways, fences and other man-made improvements. An improvement must increase the value of the property.

Vehicles

- a. original cost of all transport vehicles and trailers that are not classified as equipment and can be registered for use on public highways;
- b. amounts paid under installment or lease contracts that have a terminal date and result in the acquisition of the vehicle.

Infrastructure

- a. the original cost of street or trail construction, including lighting systems, sidewalks, and bridges;
- b. the original cost of underground and above-ground utility systems, including water, sanitary sewer and storm sewer. Includes water towers, well houses and lift stations.

Disposal of fixed assets and other Authority property will be governed by applicable Minnesota Statutes. The Authority shall approve an annual Capital Equipment Budget, which shall include the identification of equipment to be disposed of. Staff, at their discretion, shall abide by the following guidelines to achieve the highest level of return on the equipment:

- a. Trade In
- b. Auction
- c. Sealed Bids
- d. Advertising – Form that will best reach the appropriate audience
 - 1. Local Newspaper
 - 2. League of Minnesota Cities
 - 3. City Websites
 - 4. Other

Staff shall report in a timely manner to the Authority of any pending disposal transactions. If it is determined that one of the afore mentioned forms of disposal is not the best means and will not provide the Authority with the highest level of return, then Staff shall seek approval from the Authority.

Acceptance of contributions of fixed assets or other property shall be in accordance with applicable Minnesota Statutes and shall be the responsibility of the Authority. The Director will be notified of any asset acquired by means of contribution. Donated fixed assets shall be recorded at fair market value.

V. Payroll

Goal

The goal of the Authority in establishing an internal control system for payroll disbursements is to safeguard the assets of the Authority and to ensure an appropriate level of fiduciary responsibility.

Objective

The objective of the Authority in meeting this goal is to ensure that payroll disbursements are made only upon proper authorization to bona fide employees, that payroll disbursements are properly recorded, and related legal requirements (such as payroll tax deposits) are complied with.

Procedures

1. Segregation of Duties

- a. Each employee shall track time and complete time sheets in the prescribed manner of the Personnel Policy.
- b. When payment is determined by attendance at meetings, attendance sheets must be provided.
- c. The Treasurer shall process all payrolls.
- d. All pay stubs will be emailed unless a request is made to the Director to provide a printed copy in a sealed envelope.
- e. The Director shall review the payroll register, and the Treasurer will post payroll to the general ledger. The posting Journal Entry will be reviewed and initialed by the Director.
- f. The Treasurer will prepare all payroll related tax withholding deposits and reports.
- g. The Treasurer shall prepare year-end W-2's to employees and respond to inquiries regarding the same.

2. Accounting Controls

The following common internal controls relate to payroll:

- a. Time sheets are required to document employee hours, including overtime, and leave time.
- b. Employment records will be maintained for each employee that detail wage rates, benefits, taxes withheld, and any changes in employment status.

- c. Payroll-related taxes, including employer share, shall be withheld and paid to the appropriate government agency on a timely basis.
- d. Written personnel policies shall dictate the accounting for vacations, holidays, sick leave and other benefits.
- e. A list of payroll checks written, with appropriate taxes withheld, will be maintained in a separate payroll register.

VI. Depositories

Goal

The goal of the Sewer Authority is to ensure that the funds deposited are federally insured and that the appropriate collateral has been furnished to protect funds deposited in excess of the FDIC Coverage.

Objective

The safety of public funds should be the foremost objective in public funds management.

Procedures

1. Designating a Depository

Pursuant to Minnesota Statutes § 118A, all Sewer Authorities must designate one or more financial institutions as a depository of funds. A Sewer Authority may designate one or more of the following financial institutions as a depository:

- 1. Savings associations
- 2. Commercial banks
- 3. Trust companies
- 4. Credit unions
- 5. Industrial loan and thrift companies

Depository Guidelines:

- a. Annual designation of the Authority depositories will be made by the Authority during the first meeting of the New Year.
- b. Designation of depositories will be made by Authority resolution and the resolution will state the terms and conditions of the deposit and be filed with the Director.
- a. Authority will be one or more of the above mentioned financial institutions.

2. Collateralization of Public Deposits

Collateralization of public deposits through the pledging of appropriate securities or surety bonds by depositories is an important safeguard for such deposits. Pursuant to Minnesota Statute § 118A.03 (2007), deposited amounts in excess of the federal deposit insurance limits must be protected by collateral security or a corporate surety bond executed by a company authorized to do business in the state which, when computed at its market value, shall be at least ten percent more than the amount of the excess deposit at the close of the banking day. Likewise, if a deposit is made in a nonmember bank (not covered by FDIC insurance), an Authority will need to obtain collateral or a corporate surety bond even if the deposit is less than the federal deposit insurance limit. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

State and local government depositors should take all possible actions to comply with federal requirements in order to ensure that their security interests in collateral pledged to secure deposits are enforceable against the receiver of a failed financial institution. The Authority must ensure that the following criteria must be met in order to perfect a security interest in pledged collateral under federal law:

- The assignment must be in writing;
- The assignment must have been approved by the depository's board of directors or loan committee, and the approval must be reflected in the minutes of the board or committee;
- The assignment must have been continuously, from the time of its execution, an official record of the depository.

Collateralization Guidelines:

- a. The Director will ensure that a collateralization pledge is received from each Authority depository following the first depository board meeting of each year.
- b. The Director will ensure that each collateralization pledge:
 1. Must be accompanied by a written assignment to the Authority from the financial institution.
 2. Assignment must state that, upon default, the financial institution must release to the Authority on demand, free of exchange or any other charges, the pledged collateral.
- c. The Director will ensure that the assignment was approved by the depository's board of directors, and that the approval is reflected in the minutes of the board and that a copy of the depository board of director's minutes be kept on file with the Authority.
- d. The Director will verify that the assignment has been continuously, from the time of its execution, an official record of the depository.
- e. The Director will verify that the collateral is one of the following as per Minnesota

Statute § 118A.03, subd. 2:

1. United States government treasury bills, notes, or bonds;
 2. Issues of a United States government agency or instruments that are quoted by a recognized industry quotation service available to the government entity;
 3. A general obligation of a state or local government, with taxing powers, rated "A" or better;
 4. A revenue obligation of a state or local government, with taxing powers, rated "AA" or better;
 5. General obligation securities of a local government with taxing powers pledged as collateral against funds deposited by that same local government entity;
 6. An irrevocable standby letter of credit issued by a Federal Home Loan Bank accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AA" or better by Moody's or Standard and Poor's.
 7. Time deposits that are fully insured by any federal agency.
- f. The Director will ensure that the depository pledged collateral when computed at its market value, is at least ten percent more than the amount of the excess deposit at the close of the banking day which by definition incorporates a financial institution's cutoff hour.

VII. Fund Classification

Goal

The goal of the Sewer Authority is to be in compliance with GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

Objective

To provide for clearer fund balance classifications, for proper commitment and assignment of funds, and to identify acceptable minimum fund balances.

Procedures

Classifying Fund Balance

Funds shall be classified based on the nature of the particular resources. Funds shall be identified as nonspendable, restricted, committed, assigned and unassigned as defined below.

<i>Classification</i>	<i>Definition</i>
Nonspendable	Amounts that cannot be spent because they are either (a) not in

		spendable form or (b) legally or contractually required to be maintained intact.
	Restricted	Fund balance should be reported as restricted when constraints placed on the use of resources are either: a Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b Imposed by law through constitutional provisions or enabling legislation.
Unrestricted	Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
	Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
	Unassigned	The residual classification for the General Fund. This is the fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds would report deficit fund balances as unassigned.

Unrestricted Fund Balance

The unrestricted fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. Therefore unrestricted includes committed, assigned, and unassigned classified funds.

Minimum Fund Balance

Whereas the State Auditor's Office has recommended an acceptable unrestricted fund balance of 35 to 50 percent of total current expenditures for the General Fund Operating Budget. The Authority has identified that an unrestricted fund balance of 50 percent of its annual general fund budget will ensure the financial integrity of the Authority. The goal will be to maintain a 50 percent balance and not allow it to decrease below 40 percent. Considerations shall be given to financial resources, tax revenue collection cycles, predictability of revenues and the volatility of expenditures, to maintain the desired level of unrestricted fund balance. The Authority, and Director shall diligently work together through proper fiscal management to create a balanced budget which will provide for and protect the unrestricted fund balance of the Authority.

Order of Resource Use

In the event that expenditure is incurred for purposes of which both restricted and unrestricted fund balances are available, the Authority will first use the restricted funds that are available for that purpose. Once those have been exhausted, then the unrestricted funds will be used. When using the restricted funds, the Authority must ensure that the integrity of

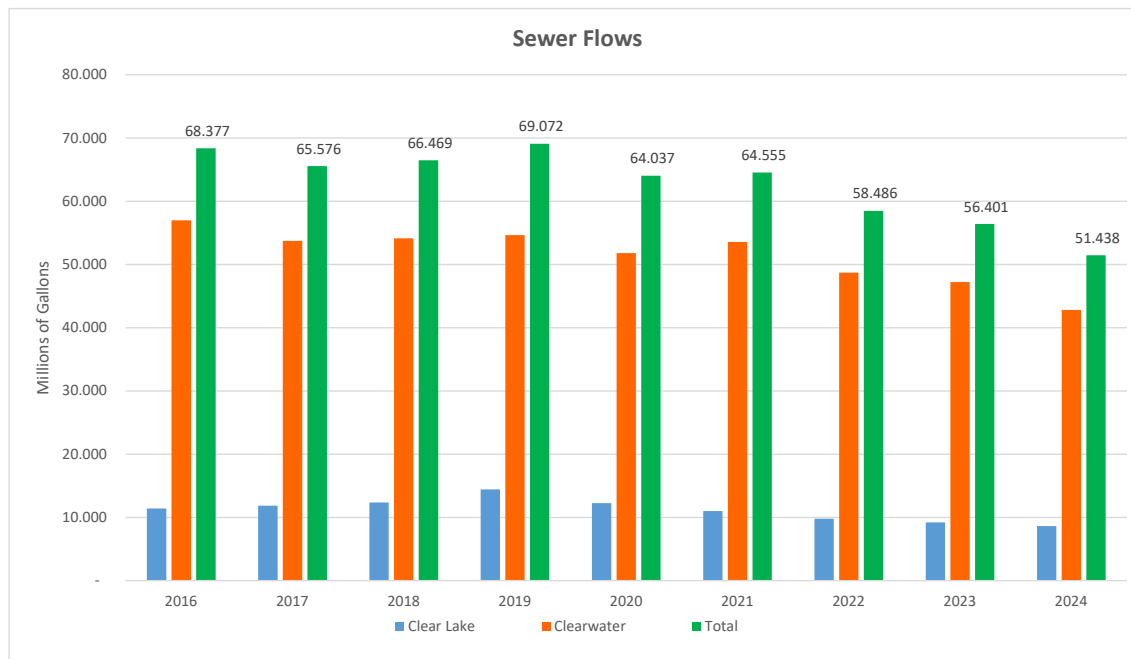
the restricted funds remains in tact, and that funds are not depleted in a manner that could impact other restricted purposes of those funds.

When it has been determined that restricted funds are not available and that unrestricted funds will be used, the Authority will then determine which unrestricted fund classification it will be taken from. Funds shall be considered in the following order: committed funds first, then assigned funds, and lastly the unassigned funds. When determining which funds to utilize the Authority needs to be aware of each funds purpose and the balances that exist, and the need to retain an unrestricted fund balance.

Annual Sewer Flow Data 2016-2024

millions of gallons

	<u>CL</u> <u>2016</u>	<u>CW</u> <u>2016</u>	<u>CL</u> <u>2017</u>	<u>CW</u> <u>2017</u>	<u>CL</u> <u>2018</u>	<u>CW</u> <u>2018</u>	<u>CL</u> <u>2019</u>	<u>CW</u> <u>2019</u>	<u>CL</u> <u>2020</u>	<u>CW</u> <u>2020</u>	<u>CL</u> <u>2021</u>	<u>CW</u> <u>2021</u>	<u>CL</u> <u>2022</u>	<u>CW</u> <u>2022</u>	<u>CL</u> <u>2023</u>	<u>CW</u> <u>2023</u>	<u>CL</u> <u>2024</u>	<u>CW</u> <u>2024</u>
January	0.966	4.346	0.981	4.848	1.056	4.611	1.094	4.414	1.199	4.534	0.953	4.352	0.884	3.916	0.748	4.265	0.760	3.796
February	0.947	4.270	0.925	4.252	0.917	4.379	0.991	4.527	1.004	4.369	0.870	3.975	0.788	3.606	0.716	3.468	0.793	3.586
March	0.964	4.449	1.008	4.664	1.062	4.716	2.076	5.333	1.086	4.632	0.994	4.450	0.946	3.870	0.833	3.748	0.758	3.883
April	0.932	4.278	0.993	4.549	1.029	4.561	1.099	4.442	1.028	4.035	0.988	4.272	0.905	3.870	0.810	3.990	0.751	3.896
May	0.978	4.581	1.047	4.976	1.035	4.583	1.174	4.557	1.037	4.267	1.000	4.632	0.946	4.463	0.801	4.145	0.798	4.153
June	0.935	4.852	0.958	4.599	1.031	4.331	1.148	4.552	0.999	4.287	0.932	4.872	0.744	4.531	0.749	4.008	0.754	4.193
July	0.910	5.209	0.990	4.399	1.045	4.768	1.102	4.699	1.011	4.590	0.917	4.377	0.783	4.511	0.716	4.088	0.799	4.333
August	0.910	5.573	0.945	4.230	1.008	4.594	1.161	4.611	1.005	4.276	0.892	5.077	0.744	4.709	0.762	4.017	0.804	3.839
September	0.924	5.070	0.903	4.157	0.996	4.289	1.108	4.409	0.996	4.188	0.849	5.132	0.772	4.222	0.749	3.748	0.810	3.662
October	0.992	4.778	1.034	4.413	1.079	4.384	1.158	4.521	1.005	4.368	0.888	4.832	0.759	3.693	0.753	4.003	0.81	3.854
November	0.953	4.693	1.043	4.182	1.017	4.278	1.135	4.185	0.940	4.178	0.860	3.610	0.750	3.601	0.782	3.816	0.789	3.617
December	0.992	4.875	1.016	4.464	1.069	4.631	1.197	4.379	0.950	4.053	0.859	3.972	0.77	3.703	0.770	3.916		
Total	11.403	56.974	11.843	53.733	12.344	54.125	14.443	54.629	12.260	51.777	11.002	53.553	9.791	48.695	9.189	47.212	8.626	42.812
Average	0.950	4.748	0.987	4.478	1.029	4.510	1.204	4.552	1.022	4.315	0.917	4.463	0.816	4.058	0.766	3.934	0.784	3.892
High	0.992	5.573	1.047	4.976	1.079	4.768	2.076	5.333	1.199	4.632	1.000	5.132	0.946	4.709	0.833	4.265	0.810	4.333
Usage	16.68%	83.32%	18.06%	81.94%	18.57%	81.43%	20.91%	79.09%	19.15%	80.85%	17.04%	82.96%	16.74%	83.26%	16.29%	83.71%	16.77%	83.23%
Annual Capacity	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120	26.280	105.120
% Capacity Used	43%	54%	45%	51%	47%	51%	55%	52%	47%	49%	42%	51%	37%	46%	35%	45%	33%	41%
Total	68.377	65.576	66.469	69.072	64.037	64.555	58.486	56.401	51.438									



17.20% 5 yr average - CL
82.80% 5 yr average - CW

61.73 CY Projection

BUILDING PERMITS 2024 MONTHLY REPORT

	ReRoof	Reside	Windows/Doors	Plumbing	Mechanical	Basement Finish	Addition/Alteration	Deck/Porch	Accessory Building	Fence	New Build - Residential	New Build - Commercial	Sign (Permanent)	Other*	TOTAL
JAN	3	1	1	1	2		1			1			1		11
FEB	2	2		1	1	1					1	1			9
MAR	1	1	1	3			1			2			1		10
APR	1			4	2	1	2			1	2			1	14
MAY	6	3	1	5	1			1	1		1		1		20
JUN	1	1		3	3	1		1		1				1	12
JUL	3	1	2	2	4			2	1	1	2		1	1	20
AUG	7	1	1	4	3				1			1			22
SEPT	3			1	2					1				2	9
OCT	4	1			1			2		1			2	2	13
NOV	2			3					1	1				1	8
DEC					4										5
Total	33	11	6	27	23	3	11	4	5	8	6	2	6	8	153

*OTHER	
January	
February	
March	
April	Demo Permit (Residential)
May	
June	Fire Suppression System for CMCS
July	Commercial Racking Permit for CMCS
August	
September	Signs for CMCS, Holiday
October	Fire Alarm, Tank Removal
November	Firm Alarm
December	

**City of Clear Lake
Building Permit Summary
2024**

Permit #	Date	Owner/Applicant	Type	Valuation	Address
1	1/3/2024		reside	1,000	8102 Trappers Ridge Drive
2	1/8/2024	Miller	reside/reroof	2,000	8157 Natures Edge
3	1/31/2024	Hemmelgaren, Gary	reside	1,000	7877 Church St.
4	2/1/2024	Hartmann	reside	1,000	7947 State St
5	2/28/2024	Johnson	reroof	1,000	8708 Main St.
6	2/28/2024	Johnson	reside	1,000	8702 Main St
7	2/28/2024	Axelberg	reside	1,000	8768 Moorhouse Ave
8	3/4/2024	Goenner	reside	1,000	7799 Church
9	3/4/2024	Arnold	reside	1,000	8133 Hunters Lake
10	3/18/2024	Mealhouse	reroof	1,000	7757 Brooks St
11	3/18/2024	Mealhouse	reside	1,000	7757 Brooks St
12	3/18/2024	Hartmann	reside	1,000	7974 State
13	3/18/2024	Johnson	Comm. Reroff	43,000	8708 Main St.
14	3/18/2024	Johnson	Comm. Reroff	66,000	8702 Main St
15	3/5/2024	Fleschhacker	reroof	1,000	8105 Trappers Ridge Dr
16	3/27/2024	Loth	Comm. Reroff	67,000	8960 1st Ave
17	4/17/2024	Kraker	LL finish	105,000	8170 Trappers Ridge Dr
18	4/17/2024	Bartoszek	LL finish	30,000	7848 Trappers Ridge Dr
19	4/17/2024	Kent Res Est.	Comm. Reroff	140,000	8101 State St
20	4/17/2024	Walcheski	reroof	1,000	7781 Brooks
21	4/17/2024	Novak	new house SFD	250,000	8165 Natures
22	4/17/2024	Mcdonald Meat	Comm. Reroff	83,000	8601 Main St
23	4/17/2024	Scheidzielos	new house SFD	300,000	8772 Church Cir
24	blank				
25	blank				
26	4/25/2024	Fisher	sign	15,000	85231st ave E
27	4/25/2024	Zoltnik	reroof	1,000	8155 Hunter Lake Dr
28	4/25/2024	Boutoszek	reside	1,000	7848 Trappers Ridge Dr
29	4/25/2024	Molter	reroof	1,000	7942 Church
30	4/30/2024	Barteszek	Plumbing	1,000	7848 Trappers Ridge Dr
31	5/6/2024	Scherber	reside	1,000	8887 1st Ave
32	5/14/2024	Kibble	reside	1,000	7650 Church
33	5/12/2024	Wobschall	Deck	10,000	8155 Wood Duck Way
34	5/22/2024	Mcdonald Meat	sign	10,000	8601 Main St
35	5/22/2024	Schuldt	reside	1,000	8138 Hunter Lake DR
36	5/22/2024	Westerhouse	Deck	10,000	7657 Church St
37	5/22/2024	Feiler	reside	1,000	8120 Wood Duck Way
38	6/3/2024	Feller	reroof	1,000	7780 Church

39	6/7/2024	Gilliland	reroof	1,000	7698 Church St
40	void				
41	6/10/2024	Hansmeier	reside	1,000	7783 Church St
42	6/6/2024	Newman	reroof	1,000	8745 1st Ave E
43	6/11/2024	Gilliland	reside	1,000	7698 Church St
44	6/7/2024	Palusky	reside	1,000	7775 Church St
45	6/11/2024	Koren	reroof/reside	2,000	8166 Hunter Lake Dr
46	6/3/2024	Grant	fence	1,000	8181 Natures Edge Rd
47	july	Scheierl	reroof	1,000	8594 1st Ave W
48		Marquette	reroof/reside	2,000	8737 1st Ave W
49		Molter	reroof	1,000	7842 Church St
50		Jelen	reroof/reside	2,000	8447 Center St
51		Jones	reroof	1,000	8089 Natures Edge Dr
52		Revier	fence	1,000	7597 Church St
53		Bevins	mfg home	300,000	7981 Church
54		Diaz	Deck	10,000	8659 Main
55		Krebs	reroof	1,000	8067 Natures Edge Rd
56		Scheierl	reside/windows	2,000	8594 1st Ave W
57		ICM Homes	new house	300,000	7785 Gunner Dr
58		Progressive	new house	200,000	8197 Natures Edge
59	blank				
60	blank				
61	8/1/2024	Tripp	RESIDE	1,000	8690 Main Street
62	8/1/2024	Progressive	SFD	200,000.00	8183 Natures Edge
63	8/13/2024	Ringate	R/R	2,000.00	8100 Whitetail
64	8/15/2024	Peterson	DECK	10,000	8172 Wood Duck
65	8/24/2024	Wood	FENCE	1,000.00	8414 Cherry
66	8/24/2024	Progressive	SFD	200,000	7994 Hunter
67	8/27/2024	Meek	Door	1000	8064 TRD
68	8/27/2024	Meek	REROOF	1000	
69	8/7/2024	Kittock	REROOF	1000	8731 Church Cir
70	9/9/2024	ICM	SFD	300,000.00	7793 Gunner
71	9/23/2024	Berry	C. REROOF	20,000	7830 Church
72	9/23/2024	Larson	REROOF	1000	8711 1ST
73	9/23/2024	Petty	FENCE	1000	8728 1ST
74	9/25/2024	Lindboe	REROOF	1000	8410 3RD
75	9/25/2024	Ringate	R/R	2,000	8100 Whitetail
76	9/25/2024	Progressive	SFD	200,000	7982 Hunter Lake
77	10/1/2024	First Ave Cont	COMM	565,000	1ST Ave
78	10/1/2024	LGI	SFD	220,000.00	8379 Cherry
79	10/1/2024	LGI	SFD	220,000.00	8377 Cherry
80	10/1/2024	LGI	SFD	250,000.00	8381 Cherry
81	10/1/2024	LGI	SFD	250,000.00	8383 Cherry
82	10/1/2024	LGI	SFD	245,000.00	8375 Cherry

83	10/1/2024	LGI	SFD	245,000.00	8373 Cherry
84	10/1/2024	LGI	SFD	245,000.00	8424 Cherry
85	10/1/2024	LGI	SFD	245,000.00	8418 Cherry
86	10/1/2024	LGI	SFD	280,000.00	8371 Cherry
87	10/1/2024	LGI	SFD	280,000.00	8369 Cherry
88	10/1/2024	LGI	SFD	280,000.00	8387 Cherry
89	10/1/2024	LGI	SFD	280,000.00	8385 Cherry
90	11/1/2024		REROOF	1,000.00	8043 Hunter Lake
91	11/1/2024	Wahl	REROOF	1,000.00	8790 Main
92	11/1/2024	Larson	REFOOF	1,000.00	8711 1st
93	11/1/2024	1st Ave Cont	COMM	565,000.00	8585 1st
94	11/1/2024	AA Comp	COMM	20,000.00	7988 Front
95	11/1/2024	Keller	REMODEL	20,000.00	7988 Church
96	11/1/2024	Kramer	RESIDE	1,000.00	8744 Church
97				7,138,000	

Sewer Authority Meeting Schedule

Meetings are held at 5:30 p.m.

Meeting Schedule

January 16, 2025 – *Clearwater City Hall*

May 22, 2025 – *Wastewater Plant*

August 21, 2025 – *Clear Lake City Hall*

November 20, 2025 – *Wastewater Plant*