

**CLAY RURAL WATER SYSTEM, INC.
SPECIAL BOARD MEETING SUMMARY
DECEMBER 28, 2010**

On December 28, 2010 at 9:00 a.m. a special meeting of the Clay Rural Water System Inc. Board of Directors was called to order by President Bob Wood at the System Office. The following Directors were also present: Jim Ross, Duane Holoch, Vic Hendriks, Tom Manning, Rick Peterson, Craig Nelson, Randy Erickson and Glen Gilbertson. Also present were Manager, Greg Merrigan, Operations Supervisor, Tom Hollingsworth, and Bookkeeper, Janice Lyso.

APPROVAL OF AGENDA: A motion was made, seconded and carried to approve the agenda.

2010 BUDGET AND WORKPLAN: Greg Merrigan presented the proposed 2011 Budget and Workplan. The One Year and Five Year Workplans, Description of Funds, Capitol Purchases and Cash Budget were reviewed. South Union electrical charges, rates for island users and capitol purchases were discussed. Tom Hollingsworth presented information on vehicles.

A motion was made, seconded and carried to accept the Budget and Workplan as revised.

Janice Lyso presented information on procedures used in the office to provide separation of duties for various office functions. Several flow charts were reviewed.

REVIEW BOARD EVALUATION: Bob Wood reviewed the results of the recent Board self-evaluation.

ADJOURNMENT: A motion was made, seconded and carried to adjourn the meeting at 12:05 p.m.

CLAY RURAL WATER SYSTEM, INC.
BOARD MEETING SUMMARY
DECEMBER 28, 2010

On December 28, 2010 at 12:50 p.m. the regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order by President Bob Wood at the Water System Office. The following Directors were also present: Randy Erickson, Jim Ross, Duane Holoch, Tom Manning, Rick Peterson, Vic Hendriks, Craig Nelson and Glen Gilbertson. Also present were Manager, Greg Merrigan and Office Manager, Donna Henriksen.

ADOPT AGENDA: A motion was made, seconded and carried to adopt the Agenda.

MINUTES: The minutes of the November 23, 2010 regular Board meeting were distributed previously. Minutes were approved. The Board Summary for November 23, 2010 regular meeting was distributed previously. Board summary is approved.

VISITORS TO BE HEARD: None.

FINANCIAL STATEMENTS: The November Financial Summary was received. A motion was made, seconded and carried to approve the transfer of funds.

BILLS FOR PAYMENT: The December Bills for Payment and January Bills requiring pre-approval were presented for approval. A motion was made, seconded and carried to approve.

MANAGER'S REPORT: Greg Merrigan presented the December Manager's Report. Items discussed included: SD Rural Water Energy Study, QOT mailed, and meetings attended as well as operating and general and administrative activities performed by the Staff. The October Water Sales Report was also reviewed.

LEGAL REPORT: Greg Merrigan reported that Attorney McGill had worked on an easement and Mechanics Lien in the past month.

SDARWS UPDATE: A) Rick Peterson reported on the December 7th Board Meeting. B) The 2011 ATC will be held Jan. 11-13 in Pierre. Delegates will be: Greg Merrigan, Rick Peterson and Craig Nelson. Jim Ross will be the Alternate. C) The NRWA Rally will be held Feb. 7-9, 2011 in Washington, DC.

2010 PROJECT: Greg Merrigan presented the monthly project update.

AMR/LAGOON PROJECT: Greg Merrigan reported there is no funding available yet. A motion was made, seconded and carried to give Greg Merrigan authority to withdraw from RD and apply to DENR for funding if determined that RD money will not be available.

SET COMMITTEE MEETING DATE: The Employee Relations Committee consisting of: Tom Manning, Jim Ross, Craig Nelson and Rick Peterson and the Policy Committee consisting of: Vic Hendriks, Randy Erickson, Duane Holoch and Glen Gilbertson will meet January 19th at Whimps in Burbank. Employee Relations meets at 9:30 a.m. and Policy meets at 1:00 p.m.

APPOINT NOMINATING COMMITTEE: No Committee is necessary as all Directors up for re-election have indicated they will run again.

MOTION TO DESIGNATE LOBBYISTS: A motion is passed each year authorizing any Director or Employee to lobby in Pierre. The motion was made to authorize any Director or Employee of the Clay Rural Water System to lobby during the 2011 Legislative Session on behalf of the Clay Rural Water System, the South Dakota Association of Rural Water Systems or any other entity that promotes a common cause. Motion received a second and carried.

SCHOLARSHIP PROGRAM: A motion was made, seconded and carried to grant payment of the 2nd half of scholarship funding for a recipient who graduated mid-year.

ROUTINE OFFICE BUSINESS: Greg Merrigan reviewed the Routine Office Business for the month. A motion was made, seconded and carried to approve seven Drop Services and seven New Services.

OTHER ITEMS FOR DISCUSSION: The Christmas Party is set for January 22, 2011 at the Spink Cafe, with a snow date of January 29.

Bob Wood appointed a Manager Evaluation Committee of: Bob Wood, Glen Gilbertson, Craig Nelson, and Jim Ross.

CALENDAR OF EVENTS: Dec. 31 - Office closed for New Year's; Jan. 11-13, ATC in Pierre; Jan. 22 - Clay RW Christmas Party at Spink, 6:00 p.m.; Jan. 27 & 28 - Audit; Jan. 27 - next regular Board meeting, 7:30 p.m., System Office.

SUPPLEMENTAL INFORMATION: None.

ADJOURNMENT: A motion was made, seconded and carried to adjourn at 1:54 p.m.