

**SUMMARY
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
OCTOBER 23, 2014**

The regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order at 7:29 p.m. by President Bob Wood at the Water System Office. Directors present were: Randy Erickson, Jim Schurdevin, Duane Holoch, Tom Manning, Randy Ronning, Randy Huot, Vic Hendriks, and Glen Gilbertson. Also present were: Manager Greg Merrigan and Office Manager, Donna Henriksen.

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

DIRECTOR CONFLICT WITH AGENDA ITEMS: None.

MINUTES: The minutes of the September 25, 2014 regular Board meeting were distributed previously. Minutes were approved. The Board Summary for September 25, 2014 regular meeting was distributed previously. Board summary was approved.

VISITORS TO BE HEARD: None.

FINANCIAL STATEMENTS: The September Financial Summary was received. A motion was made, seconded and carried to approve the transfers. Checkbook balance was reviewed.

CHECK REGISTER: The October Check Register and November Bills requiring pre-approval were presented for approval. A motion was made, seconded and carried to approve.

MANAGER'S REPORT: Greg Merrigan presented the October Manager's Report. He discussed: fire protection for the North Sioux City Fire Dept.; discharge line at Wynstone; and miscellaneous distribution and project work. August Water Sales Report was also reviewed.

LEGAL REPORT: Greg Merrigan reported that Attorney Mike McGill had been working on the following issues: cell phone policy, landowner issue and loan closing.

SDARWS UPDATE: Glen Gilbertson will be a presenter at the Leadership Seminar in Pierre on Nov. 19 & 20.

AMR/LAGOON PROJECT: Greg Merrigan reported on the status of the AMR Project. Loan closing for this project will be held on October 24th.

VERIZON PROPOSAL: The Board reviewed the Cellular Administrative Policy drafted by Attorney, Mike McGill. A motion was made and seconded to adopt the Policy and place in the Employee Handbook. Motion carried.

POLICY NO. 403 - ANNUAL TAP RATES: The Board reviewed the revised Annual Tap Rate Policy No. 403 reflecting the changes made to go from an annual rate to a monthly rate. A motion was made, seconded and carried to approve the Policy changes.

POLICY NO. 315 - QOT SUBSCRIPTION: Policy No. 315 was adopted when the System Newsletter "QOT" was classified as Periodical and a subscription had to be charged. Since the newsletter is no longer mailed at a "Periodical" rate, the Policy needs to be updated. A motion was made, seconded and carried to revise Policy No. 315 to reflect this change.

RATES: Greg presented information on the new loan payments starting in November for the Lagoon/AMR Project. He is proposing that the monthly minimums be increased for all users by \$1.00/month effective January 1, 2015. A motion was made and seconded to approve this increase. Motion carried.

HEALTH INSURANCE RENEWAL: The employee health insurance plan is set to renew December 1st. Greg Merrigan reported we have been given several renewal options, but is proposing going with the Wellmark Bronze Plan. A motion was made, seconded and carried to approve the Bronze Plan.

DISTRICT ELECTION/ANNUAL MEETING DATES: The Board set the date of March 6, 2015 for District Elections if needed. In observance of Clay Rural Water's 40th Anniversary in 2015, Greg Merrigan is recommending we have a meeting with a dinner at the 4-H Center in Vermillion (where the first Annual meeting was held). A motion was made and seconded to approve this meeting on March 28, 2015 if the Center is available. Motion carried.

VOTING DISTRICT NUMBERS: The Board reviewed the number of members in each of the voting districts. Greg Merrigan presented 3 different options moving townships around to make the numbers more equal in each district. A motion was made and seconded to adopt Option 3, effective March 1, 2015, which would move Meckling to District I and Spink & Sioux Valley to District II. Motion carried.

ROUTINE OFFICE BUSINESS: The Board reviewed the Routine Office Business for the month. Two Drop Services, 11 New Services, and four Bad Debts were approved by unanimous consent.

OTHER ITEMS FOR DISCUSSION: Manager's Evaluation: Bob Wood appointed a committee to review the results of the Manager's Evaluation. 2014 SD Ag Economic Contribution Study.

CALENDAR OF EVENTS: Oct. 30 & 31 - Manager's meeting in Pierre; Nov. 11 - Office closed for Veteran's Day Holiday; Nov. 19 & 20 - Leadership Conference in Pierre; Nov. 25 (Tuesday) - next regular Board meeting, 7:30 p.m., System Office; Nov. 27 & 28 - Office closed for Thanksgiving Holiday.

SUPPLEMENTAL INFORMATION: Article on Lesterville Drinking Water Emergency.

ADJOURNMENT: Motion was made, seconded and carried to adjourn at 9:05 p.m.