

SUMMARY
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
MARCH 31, 2016

The regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order at 7:25 p.m. by President, Bob Wood at the Water System Office. Directors present were: David Reiff, Jim Schurdevin, Duane Holoch, Pat Manning, Randy Ronning, Randy Huot, Bob Wood, Vic Hendriks, and Glen Gilbertson. Also present were Manager Greg Merrigan, Office Manager, Donna Henriksen, and Dwight Berglin & Stephanie McDonald of Quam & Berglin, CPA's.

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

DIRECTOR CONFLICT WITH AGENDA ITEMS: None.

A motion was made, seconded and carried to Suspend the Rules and move to Item 14A - Audit Presentation.

AUDIT PRESENTATION: Dwight Berglin & Stephanie McDonald of Quam & Berglin, CPA's presented the 2015 Audit. A motion was made, seconded and carried to accept the 2015 Audit as presented.

MINUTES: The minutes of the February 25, 2016 regular Board meeting were distributed previously. Minutes are approved. The Board Summary for February 25, 2016 regular meeting was distributed previously. Board summary was approved.

ANNUAL RE-ORGANIZATIONAL MEETING: Election of Officers: President Bob Wood called the meeting to order at 8:04 p.m. and turned the meeting over to Manager Greg Merrigan for the election of the office of President.

Merrigan declared the floor open for nominations for President. Bob Wood was elected President.

Bob Wood declared the floor open for nominations for Vice-President. Glen Gilbertson was elected Vice-President.

Bob Wood declared the floor open for nominations for Secretary-Treasurer. Randy Huot was elected Secretary/Treasurer.

Designations for 2016:

Attorney Mike McGill's 3-year contract is up in 2018. No action needed.

Quam & Berglin, CPA's designated as Auditor.

First Premier, Wakonda designated as the main depository. Several institutions designated as secondary depositories.

All employees and Directors designated as users of the Credit Cards.

Engineers: DGR Engineering of Rock Rapids, IA designated as System Engineer.

Motion was made and seconded to adjourn the re-organizational meeting at 8:10 p.m. and reconvene the regular meeting. Motion carried.

VISITORS TO BE HEARD: None.

FINANCIAL STATEMENTS: The February Financial Summary was reviewed by Greg Merrigan. A motion was made, seconded and carried to approve the six March Transfers. The checkbook balance and major budgeted items were reviewed. Greg Merrigan reviewed the Allocation of Costs. The Board reviewed interest rates from CoBank and Pioneer Bank. The Board reviewed the 2015 CoBank Patronage Distribution.

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

MANAGER'S REPORT: Greg Merrigan presented the March Manager's Report. He reviewed the Insurance Renewal for property-casualty and work comp; the Annual Operations Report for 2015; noted the latest issue of QOT had mailed and the One Call Breakfast has been held, along with meetings attended and misc. operating activities. The February Water Sales Report was also reviewed.

LEGAL REPORT: Nothing to report.

SDARWS UPDATE: Glen Gilbertson discussed the CoBank Charitable Giving Program, and reviewed Agenda for the SDARWS and Rural Water Center Board Meetings on April 7.

DISTRICT ELECTION MINUTES: Greg Merrigan reviewed the minutes of the District Election held March 4, 2016. One candidate in each District was declared the winner by the Board. Directors elected were: Randy Huot in District I; Duane Holoch in District II; and Jim Schurdevin in District III.

SELECT SCHOLARSHIP WINNERS: The Scholarship Committee recommends awarding the three scholarships to: Emily Schmitz of Vermillion, Samantha McInerney of Elk Point, Katherine Brockevelt of Vermillion. Madalyne Schuldt would be the alternate. A motion was made, seconded and carried to approve the selection.

POLICY NO. 106: The Board reviewed Policy No. 106 - Conflict of Interest. A motion was made and seconded that each Director sign the Conflict of Interest Statement. Motion carried.

ANNUAL MEETING: Greg Merrigan provided information on the upcoming Annual Meeting/Open House to be held April 7, from 4-7 p.m. at the Wakonda Plant.

PLANNING WORKSHOP REPORT: Greg Merrigan reviewed the notes he had taken at the Planning Workshop; he is requesting additional information. A motion was made and seconded to amend the report by providing the Manager with the additional information as requested. Motion carried.

ROUTINE OFFICE BUSINESS: Greg Merrigan reviewed the Routine Office Business for the month. Business approved by unanimous consent included: No Drop Services, eight New Services, and No Bad Debts.

OTHER ITEMS FOR DISCUSSION: The Board reviewed the Sioux Empire Water Festival Donors and the CoBank Financial Reports for 2015.

CALENDAR OF EVENTS: April 7 - Clay RW Annual Meeting/Open House, 4-7 p.m, Wakonda Plant; April 19 & 20 - Office Training at Tea; April 26 - next regular Board meeting (Tuesday), 7:30 p.m., System Office.

SUPPLEMENTAL INFORMATION: Member Letter.

ADJOURNMENT: A motion was made and seconded to adjourn at 9:08 p.m. Motion carried.