

CRWS

Clay Rural Water System, Inc.



"Your local water supplier must comply with regulations set forth by the Safe Drinking Water Act. This requires your utility to monitor and treat for almost 100 different parameters in the water delivered to your tap. As a result, drinking water is the most regulated and controlled substance you can ingest – more than any food, drug or beverage."

-American Water Works Association

Directors, Staff



Board of Directors
2024-2025: Front (l
to r): Jerry Buum,
Tim Irwin, Randy
Ronning, Ken Kess-
ler, Josh Wendling,
Randy Huot - Presi-
dent, Pat Manning
– Secretary/
Treasurer, Mark
Bottolfson, Cody
Merrigan—Vice
President



Staff: Back (l to r):
Andy Ganschow,
Matt Thompson,
Rob Ganschow,
Steve Muilenburg,
Lane Severson, Phil
Iverson Front (l to
r): Pam Lunning,
Donna Henriksen

Annual Meeting Program Agenda

- ⇒ Registration
- ⇒ Meal
- ⇒ Call to Order
- ⇒ Welcome
- ⇒ Determination of Quorum— , President
- ⇒ Minutes of 2024 Meeting—Pat Manning, Secretary/Treasurer
- ⇒ Financial Report
- ⇒ Manager's Report—Steve Muilenburg, System Manager
- ⇒ Old Business
 - Chapter Project Phases I- Brosz Engineering
 - Chapter Project Phase II - Barlett & West Engineering
- ⇒ Question & Answer Session
- ⇒ Scholarship Drawing
- ⇒ Grand Prize Drawing
- ⇒ Adjournment



Welcome!

Welcome to our 46th Annual Meeting and Program. This year CRWS customers will once again gather for a meal, program and have an opportunity to view the financials, ask questions or just see the friendly faces of your water system staff and Directors.

The Clay Rural Water System provides drinking water service to 2,562 locations in parts of five counties in southeast South Dakota. The primary purpose of the CRWS is to provide safe, quality drinking water to its members for domestic, farm and business uses.

CRWS is a member-owned, non-profit corporation incorporated in July, 1975. The water system was originally financed and constructed from 1978-1980, primarily with member connection fees, loans and grants from the Farmers Home Administration. It became fully operational in 1980. The original construction cost of the system was \$5.8 million.



Service to the member population base of 6,400 is provided from two water treatment plants located in central Clay County and southern Union County. Treated well water is distributed from the treatment plants through a network of 1,403 miles of pipeline, six storage reservoirs with a total storage capacity of over 1,300,000 gallons, and five booster stations. Clay RWS is governed by a nine-member Board of Directors, elected by the membership from three voting districts.

Our Mission:

The Mission of the Clay Rural Water System is to provide high quality water service to the consumers of the corporation at the lowest possible cost, consistent with sound business practice.

From the Directors and Staff

On behalf of the Board of Directors and Staff, we would like to welcome you to the 2025 Annual Membership Meeting. This is your opportunity to review the performance of your Water System during this past year & celebrate with us in reaching our 50th Anniversary since Incorporating on July 21, 1975.

The System has grown from 992 hookups in 1975 to over 2,500 today and from one treatment plant in Clay County, to an additional treatment plant in southern Union County. We supply bulk service to the Towns of Wakonda & Gayville and are currently in the talking stages with the City of Elk Point.

CRWS is on the move again this spring as we continue with the final stages of our existing Phase I project, and move forward with the design process of Phase II, which is our new Water Treatment Plant.

We will be in full construction mode early this spring with the addition of two 1-million gallon ground storage tanks. Great Plains Structure of Tea, SD will be the tank builders for these two new additions to our system. They have informed us that they have an aggressive schedule planned for this year and that we could see the completion of not only one tank, but possibly two by the end of this construction season.

The completion of the Greenfield Storage Tank along I-29 will be a blessing to get completed ahead of schedule. If this happens, the timing will work well with the building of the new booster station, located on the same property. It will also help take some pressure off the east side of our system during peak demands.

The second tank will be located at the Wakonda site, but will not go online until the new water treatment plant is up and running.

Along with the various other projects we have to complete this year, we must still perform the day-to-day operations and preventative maintenance work to keep the system operational to support the 2,562 customers we currently provide water service to.

The Directors and staff of CRWS would like to thank our customers for their patience and understanding while we do everything possible to keep the water flowing. We take our role as the caretakers of the system very seriously.

Sincerely,

CRWS Board and Staff

Steve Muilenburg, System Manager

Minutes of 2024 Annual Meeting—April 9, 2024

Clay Rural Water System held their 45th Annual Meeting on Tuesday, April 9, 2024 at the National Guard Armory in Vermillion, South Dakota. 110 members registered and all received a \$10 water credit. Total attendance was 192.

President Randy Huot called the meeting to order at 6:20 p.m. and led us in prayer. The *Star-Spangled Banner* was played by SDARWS. President Randy Huot declared a quorum present, introduced the remaining Directors, and proceeded with the meeting. Secretary Pat Manning read the minutes of the March 21, 2023, meeting. A motion was made, second and carried to approve. Treasurer Manning reviewed the Draft Balance Sheet and Draft Income Statement which were excerpts from December 31, 2022 and 2023 draft audited financial statements prepared by Kinner & Co. of Brookings, South Dakota. A motion was made, second and carried to approve.

Manager Steve Muilenburg gave the Manager's Report. He introduced the employees, Attorney Mike McGill, and noted the benefits of being a member of SDARWS. He reviewed the 2023 operating year including the Chapter Projects named Phase 1 & 2 and noted the ARPA funds that were received.

Old Business:

President Huot introduced Chancey Shrake of Broz Engineering. Mr. Shrake gave an update on the Phase 1 & 2 Projects. A slide presentation included information and updates on the changes and updates that have been completed. Phase 1 encompassed four individual projects which included the following:

- Project 1 – West Vermillion

- Project 2 – Westerville Connection

- Project 3 – West Phase Booster Station to Garfield Booster Station

- Project 4 – Highway 46 Relocation

Phase 1 also includes installation of 2 Ground Storage Reservoirs, one on I-29 and one at the Water Treatment Plant, and Booster Station replacement.

Phase 2 of the Project includes the building of the Water Treatment Plant. President Huot introduced Brian Hoellein of Bartlett & West engineering firm, who gave an overview of the proposed new water treatment plant, discussed the design, location, and capacity features. Preliminary sketch designs were available for the members to view and were included in the slide presentation.

President Huot asked for questions from the members. Questions from the members included what would be done with the old system treatment plant, the sustainability of the aquifers, and rate adjustments.

New Business: None

Door prizes consisting of water bill credits were drawn for. A motion was made, seconded & carried to adjourn at 7:25 p.m.

Attest: Pat Manning, Secretary

Recorded by: Donna Henriksen

Balance Sheet

Assets (What We Own)	12/31/2024	12/31/2023
Cash and cash equivalents	\$771,993	\$748,391
Cash and cash equivalents-board designated	\$372,388	\$849,489
Certificates of Deposits—Board Designated and none	\$648,673	\$217,227
Accounts Receivable	\$205,202	\$208,871
Accrued Interest Receivable	\$10,565	\$5,643
Inventory	\$218,466	\$220,974
Prepaid expenses	\$20,608	\$20,680
Notes Receivable - current portion	\$5,715	\$5,014
Total Current Assets	\$2,253,610	\$2,276,289
Property and equipment, net	\$22,031,000	\$21,524,393
Notes receivable, less current portion	\$35,572	\$41,445
Patronage Equity	\$108,622	\$95,169
Customer cash deposits—reserved	\$13,300	\$14,860
Certificates of deposits—restricted	\$170,000	\$170,000
Total Noncurrent Assets	\$22,358,494	\$21,845,867
Total Assets	\$24,612,104	\$24,122,156
Liabilities (What We Owe)		
Current maturities of long-term debt	\$509,891	\$465,550
Accounts Payable	\$51,149	\$48,903
Accounts Payable—Construction	\$453,675	\$2,056,522
Retainage payable	\$347,160	\$328,496
Accrued expenses & interest	\$129,948	\$128,067
Total Current Liabilities	\$1,491,823	\$3,027,538
Total Noncurrent Liabilities	\$11,030,794	\$9,601,068
Total Liabilities	\$12,522,617	\$12,628,606
Net Assets without Donor Restrictions	\$812,207	\$866,716
Net Assets with Donor Restrictions	\$170,000	\$170,000
Undesignated	\$11,107,281	\$10,456,834
Total Net Assets	\$12,089,487	\$11,493,550
Total Liabilities and Net Assets	\$24,612,104	\$24,122,156

Income Statement

Operating Revenue	12/31/2024	12/31/2023
Water Sales	\$2,846,329	\$2,839,644
Hookup Fees	\$58,900	\$60,200
Line Installation	\$22,320	\$101,054
Reimbursement & Misc Income	\$110,113	\$42,210
Total Revenue	\$3,037,661	\$3,043,109
Operating Expenses		
Project expenses	\$1,074,048	\$990,658
General and administrative expenses	\$1,659,766	\$1,541,296
Total Operating Expenses	\$2,733,814	\$2,531,954
Operating Income	\$303,847	\$511,155
Other Income (Expense)		
Investment Income	\$110,765	\$91,152
ARPA Funding	\$337,199	\$4,951,084
Grant income	\$130,065	\$66,048
Gain (loss) on sale of Capital Assets	\$20,906	52,651
Interest expense	(\$306,846)	(\$274,297)
Other (Expense) - Net	\$292,090	\$4,886,638
Change in Net Assets	\$595,937	\$5,397,793
Net Assets w/out Restrictions Beginning of Year	\$11,323,550	\$5,925,757
Net Assets w/out Restrictions End of Year	\$11,919,487	\$11,323,550

Phase 1 Project Update

Phase 1—Completed Distribution System Improvements

- **Phase 1 Distribution System Improvements encompassed 4 individual projects.**
 - **Project 1—West Vermillion, Completed 2023**
 - Project consisted of installing 4.9 miles of 4" watermain.
 - This project added capacity for the customers located West of Vermillion and for the Town of Gayville.
 - **Project 2—Westreville Connection, Completed 2024**
 - Project consists of installing a new meter building and 2.8 miles of 8" watermain from the West Phase Booster Station to the Westreville Water Storage Tank.
 - Project eliminated a bottle neck for the Southwest region of system, and more readily maintains the water level in Westreville Tank resulting in stabilized pressures and flows for surrounding customers.
 - **Project 3—West Phase Booster Station to Garfield Booster Station, Completed 2024**
 - Project consists of installing 5 miles of 12" watermain from the West Phase Booster to the Water Treatment Plant, and 6 miles of 14" watermain from the Water Treatment Plant to the Garfield Booster Station.
 - Project replaced the existing 8" pipe which was undersized and previously experienced frequent breaks.



Phase 1 Project Update

Phase 1—Water Storage and Booster Station Improvements

- **Project 4—Highway 46 Relocation, Completed 2023**
 - Project consisted of installing 2 miles of 3” water main.
 - The relocation of pipe was required to avoid conflicts with the SD Department of Transportation HWY 46 grading project, east of Beresford.
- **Project 5—Wakonda WTP Ground Storage Reservoir**
 - A glass lined steel tank will be constructed just South of the Wakonda WTP.
 - Storage capacity of 1 million gallons.
 - Project was bid October of 2024. Construction began March 2025. Construction to be completed no later than the Summer of 2027.
 - Tank will provide the necessary clearwell storage for the future water treatment plant.
- **Project 6—Greenfield Ground Storage Reservoir and Booster Station**
 - A glass lined steel tank, in-ground booster station, and two new meter vaults will be constructed near the existing Greenfield ground storage tank.
 - Storage capacity of 1 million gallons.
 - The booster station and meter vaults will replace the existing infrastructure that is at the end of its useful life.



- Project was bid October of 2024. Construction began March 2025. Construction to be completed no later than Fall of 2026.
- Tank will drastically increase storage capacity for the area which will result in improved pressures and flows.

Phase 2 Project Update

Phase 2—New Water Treatment Plant

- Existing treatment plant has reached the end of its useful life and is not able to accommodate future water demands.
- The new treatment plant will be able to treat 2.5 million gallons per day and will be expandable to 5 million gallons per day.
- The new treatment plant will be located on property adjacent to the existing treatment plant.
- Will utilize a lime softening with media filter treatment process. Similar to the existing plant with goal to produce similar finished water quality.
- Design is 30% complete at this time.
- Will be utilizing a Construction Manager at Risk (CMAR) for project construction.
 - Goal is have the CMAR selected by early June 2025.
 - Handle key equipment procured during final design.
 - Provide value engineering during design.
 - Provide accurate budgets during design.
- Design completed and submitted for final SDDANR approval in early 2026.
- Construction anticipated to begin in spring 2026 and reach Substantial Completion by the end of 2027.





Clay Plant



Coyote Plant

CRWS
Clay Rural Water System

Clay Rural Water
System Inc.
July 21st, 1975



Wynstone Plant