

**SUMMARY
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
October 30, 2023**

The regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order at 7:00 p.m. by President Randy Huot at the System Office. Directors present: Jerry Buom, Pat Manning, Tim Irwin, Randy Ronning, Randy Huot, Mark Bottolfson, and Ken Kessler. Absent excused were: Dave Reiff and Cody Merrigan. Also present: Manager Steve Muilenburg, Office Manager, Donna Henriksen, and Chancey Shrake of Brosz Engineering.

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

DIRECTOR CONFLICT WITH AGENDA ITEMS: None.

MINUTES: Minutes of September 19, 2023 Regular Board minutes were presented for approval. A motion was made, seconded, and carried to approve. The Board Summary for September 19, 2023 was presented for approval. A motion was made, seconded, and carried to approve.

VISITORS TO BE HEARD: None.

A motion was made, second and carried to suspend the Rules and move to Item 12A.

PROJECTS PHASE I & II: Chancey Shrake of Brosz Engineering was present to update the Board on Project work. On Phase I, he presented a final Pay Request #4 for 3D Digging in the amount of \$5,000 for retainage, and Pay Request #5 for interest in the amount of \$2,742.98. These are both shown in Draw #9. A motion was made and second to approve Draw #9 in the amount of \$13,490.55 and Draw #10 in the amount of \$28,366.32. Motion carried.

He stated that Dakota Pump is building the meter vault for Westreville; the 12 & 14" lines are not completed yet as the bore prices need to be broken out of the total bid and re-done. Winter Contracting needs to come back and do cleanup work before it gets too cold.

Highway 46 work is close to being done – there is 1 tie-in and 2 services to complete yet. Brosz will be working on the DOT submittal portion of this project.

Phase II: The Greenfield tank placement has been submitted to DANR for review; waiting to go to bid. Contractors will be given the option to bid a one-million-gallon tank or a 750,000 gallon tank; hopefully bids will be let by Thanksgiving. For the water tank at the WTP site, the soil borings still need to be completed, hopefully in the next couple of weeks.

FINANCIAL STATEMENTS: The September Financial Summary and allocations were reviewed by Manager Muilenburg. A motion was made, second and carried to approve the five financial transfers. The Board completed Items on the Board Checklist. Ken Kessler will replace Dave Reiff on the checklist.

CHECK REGISTER: Donna Henriksen reviewed the October Check Register and Nov. Bills requiring pre-approval. A motion was made, second and carried to approve payment of bills.

MANAGER'S REPORT: Manager Muilenburg discussed the October Manager's Report. He noted that the servicemen will be trying to chlorinate the Wynstone Irrigation system yet this fall; the tests for base

line testing for PFAS have been ordered; the servicemen are continuing to replace water valves on the western side of the System; the new mixer has been installed at the Irene Tank and cleaning dates for both Irene and Spink are being scheduled. There will be work done on the 300th St. overpass in 2024 and we will need to move some waterline for that project. Manager Muilenburg also reviewed the September Water Sales Report; water loss is getting better at 10.5%.

LEGAL REPORT: Nothing to report.

SDARWS UPDATE: Mark Bottolfson noted the Leadership Conference will be held in Pierre, November 8 & 9th. Delegates were chosen for the 2024 ATC. A motion was made and seconded to approve payment of the 2024 SDARWS Dues in the amount of \$10,052.95. Motion carried. The Dakota Mainstem Board has been seated and Manager Muilenburg has a 2-year term on the Board.

UNFINISHED BUSINESS:

Projects Phase I & II. See above

In Control Agreement: An agreement from In Control was presented for signature. The agreement would be to go through the internal programming of the Dakota Pump Equipment and make recommendations; maximum cost would be \$10,000.00. A motion was made, second, and carried to approve signature of the contract.

NEW BUSINESS:

ELO Audit Bill: Information was presented to the Board about the bill for auditing services for 2022, the notice from the IRS of the late filing of the 990 and possible penalties. ELO has confirmed that the 990 has been filed, ELO will take care of the penalties charge if incurred, and there will be no finance charges on the Audit bill. A motion was made, second and carried to approve payment of the Audit invoice per the above stated comments from ELO.

Work Comp Dividend: A Workman's Compensation dividend has been received in the amount of \$318.66 due to a favorable loss experience.

Rate Committee: The Rate Committee is proposing the following rate changes for 2024:

1. Join Class 5 & 6 into a new Class 5, as there is currently no one in Class 6
2. Class 1: change the over 26,000 rate to \$4.25/1,000 gallons
3. Class 2: No change
4. Class 3: change rate to ALL USE \$5.30/1,000 gallons
5. Class 4: No change
6. Class 5: (new) Change to ALL USE \$5.30/1,000 gallons
7. Class 7: change minimum to \$59.00
8. Class 9: No change
9. Class 10: No change

A motion was made and seconded to accept committee recommendations. Motion carried. The Committee is also proposing a new "Application" fee. This fee would be used to cover staff time and any hydrologic studies as needed. They are proposing to update Policy #303 with the Application Fees of \$200 for residential housing, \$500 for large users or developments, and a 50-50 split for new Bulk users. Board will review the Policy changes at November Board meeting.

2024 Capital Purchases: Manager Muilenburg discussed proposed capital purchases for 2024. We need one new truck and he is asking for permission to order now, as it takes several months to get. A

motion was made and seconded to order a Ford XLT 350, 4x4 crew cab. Motion carried. He is also proposing purchasing a storage container. A motion was made, second, and carried to approve purchase of a storage container for \$5,000.00.

2024 Scholarship Program: A motion was made, second and carried to approve the 2024 Scholarship Program.

Approve District Election Date: A motion was made, second and carried to approve March 1, 2024 as District Election Date. Directors with expiring terms are: Pat Manning in I, Cody Merrigan in II, and Dave Reiff in III.

Set Annual Meeting Date & Location: It was the Board's consensus to set Tuesday, April 9th as the Annual Meeting Date at the Vermillion Armory – same format as last year. If not available, April 11th would be the second option.

ROUTINE OFFICE BUSINESS: Routine Office was approved by unanimous consent including: one Drop Service; 16 New Services; and no Bad Debts.

OTHER ITEMS FOR DISCUSSION: All Board and Staff will receive a Ham for Thanksgiving or a HyVee Gift Card. The Board would like to have a Christmas Party. Staff are to have suggestions ready for November meeting, along with area Food Pantries that donations can be given too.

CALENDAR OF EVENTS: Steve Muilenburg reviewed the following:

- Oct. 24-26 – Manager's Meeting in Deadwood
- November 8-9 – Leadership Conference, Pierre
- November 10 – System Office closed for Veteran's Day Holiday
- November 20 (Monday) – next regular Board meeting, 7 p.m., System Office
- November 23 & 24 – System Office closed for Thanksgiving Holiday
- January 9-11, 2024 – ATC, Pierre

SUPPLEMENTAL INFORMATION: A thank you was received from the John Bernard family.

ADJOURNMENT: A motion was made, second, and carried to adjourn at 9:46 p.m.