

**SUMMARY
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
March 25, 2025**

The regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order at 7:01 p.m. by Vice President Cody Merrigan at the System Office. Directors present: Jerry Buom, Pat Manning, Randy Ronning, Mark Bottolfson, Ken Kessler, Cody Merrigan, Kim Brandson, and Kari Surprenant. Absent excused: Josh Wendling. Also present: Manager Steve Muilenburg, Office Manager, Donna Henriksen, Controller, Pam Lunning, and Brandi Sparks, Office Personnel.

Adopt Agenda: A motion was made, second, and carried to adopt the agenda.

Director Conflict with Agenda Items: None.

Minutes: Minutes of the February 25, 2025, regular Board meeting were presented for approval. A motion was made, seconded, and carried to approve. The Board Summary for February 25, 2025, was presented for approval. A motion was made, seconded, and carried to approve.

Annual Re-Organizational Meeting: Cody Merrigan called the re-organizational meeting to order at 7:03 p.m. and turned the meeting over to Manager Muilenburg to conduct the election of the President. Jerry Buom nominated Cody Merrigan. No further nominations were received so Cody Merrigan was elected by acclamation. Manager Steve Muilenburg turned the meeting back over to Cody Merrigan.

Cody Merrigan opened the floor for nominations for Vice President. Mark Bottolfson nominated Josh Wendling. No further nominations were received so Josh Wendling was elected by acclamation.

Cody Merrigan opened the floor for nominations for Secretary/Treasurer. Ken Kessler nominated Pat Manning. No further nominations were received so Pat Manning was elected by acclamation.

Designations for 2025:

Attorney: A motion was made, second and carried to approve Mike McGill as Attorney. Contract is in place until April, 2027.

Auditor: A motion was made, second and carried to approve an Audit for 2025 and to use Kinner & Company.

Financial Institutions: A motion was made, second and carried to approve Premier Bank of Alcester as the main depository. A motion was made, second and carried to authorize the following banks as secondary depositories: First Premier Bank of Wakonda, First Dakota Bank of Vermillion & Beresford; First Savings of Beresford; and One American Bank of Centerville.

Designate Users of Credit Cards: A motion was made, second and carried to designate all employees and Directors as users of credit cards.

Engineer: A motion was made, second and carried to designate DGR Engineering of Rock Rapids, IA, Brosz Engineering of Pierre/Sioux Falls, and Bartlett & West of Topeka, Kansas as engineers for the System.

Re-organization meeting adjourned at 7:11 p.m. and resumed regular board meeting.

Visitors to Be Heard: None.

Financial Statements: The February Financial Summary and allocations were reviewed by Manager Muilenburg. A motion was made, second and carried, to approve the five financial transfers.

A motion was made and seconded to suspend the rules and move to Item 15E. Motion carried.

2024 Audit Presentation: Kelsie Haugen of Kinner & Company presented the 2024 Audit via Zoom. Questions were answered.

Financial Checklist: Everything on the Financial Checklist will remain the same.
CoBank Patronage for 2024: CoBank Patronage has been received for 2024 in the amount of \$20,753.71 Target Cash Patronage and \$4,789.32 Special Cash Patronage.

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

Manager's Report: Manager Muilenburg thanked the Officers for taking their positions, welcomed new Board members Kari Surprenant and Kim Brandon, and new employee Brandi Sparks. He then gave his report. The operators have been working on clean-up areas that have settled or eroded on projects completed in the last few years. The old North Lodi pit has been removed. An 8-inch line at the Greenfield Tank will be moved to make room for the new tank foundation. The Wynstone irrigation system has been chlorinated.

We have hired 2 new office personnel – Peggy James starts on 3/31 and will be Donna's replacement. Brandi Sparks started 3/24 and will take on multiple roles in the office, assisting with coordinating & monitoring certain aspects of our projects as we ramp up construction.

The Beresford Booster piping and floors were sanded and repainted. A leak on the 3-inch line east of Beresford was repaired due to a creek bore settling and pulling apart. Plant Maintenance has been completed at both treatment facilities. 2 outdated VFD's will be replaced at Wynstone in early April. The February Water Sales Report was reviewed.

Legal Report: Mike McGill has been working on Phase II Resolutions.

SDARWS Update: Mark Bottolfson reported on some of the happenings at the State level and he will be attending the next meeting on April 3 in Pierre.

Dakota Main Stem Project: Manager Muilenburg participated in the Annual Meeting on March 21, via Zoom, and provided information about the meeting.

Unfinished Business:

Project Phase I: Manager Muilenburg reported that they have met with Great Plains Structures, Vadnais Heights, MN on the tank project. We are still withholding money from Winter Contracting.

Projects Phase II: Manager Muilenburg reported that the archeological survey has not been completed. William Ranney should be starting on it this week. Construction Manager At Risk (CMAR) will be utilized for the bidding process in accordance with the laws of the State of South Dakota, per DANKR's recommendation. The following Resolutions were adopted to move forward with the CMAR process.

- A motion was made, seconded and carried to approve Resolution #2025-02, which revokes Amended Resolution #2025-01.
- A motion was made, seconded and carried to approve Resolution #2025-03, which allows CRWS to use CMAR for the bidding process.

- A motion was made, seconded and carried to approve Resolution #2025-04, which allows CRWS to provide public notice of the request for proposals for the services of a CMAR.

District Election Minutes: The Board reviewed the minutes of the District Elections held on March 7, 2025, that were prepared by Mike McGill.

New Business:

Scholarship Committee Recommendation: The Scholarship Committee recommends awarding the scholarships to: Issac Marohl of Centerville, Elena Andrews of Beresford, and Kylie Mockler of Beresford, and alternate Mary Dahlhoff of Vermillion. A motion was made, seconded and carried to approve the Scholarship recipients for 2025.

Policy No. 106 “Conflict of Interest”: The Board reviewed Policy No. 106. A motion was made, seconded and carried to authorize all Directors to sign the “Conflict of Interest”.

Confidentiality Agreements: A motion was made, seconded and carried that all Directors sign a “Confidentiality Agreement”.

Union County Fair Request: The Board reviewed a request for a donation from the Union County Fair. A motion was made, seconded and carried to give them a donation of \$250.00.

2024 Audit Presentation: See above.

SD Shakespeare Festival Donation Request: A request has been received from the SD Shakespeare Festival. A motion was made to make a donation. Motion died for lack of a second.

Annual Meeting Update: The Staff updated the Board on Annual Meeting plans.

Executive Session: Not needed.

Routine Office Business: Routine Office Business was approved by unanimous consent including: No Drop Services, Eight New Members, and No Bad Debts.

Other Items for Discussion: None.

Calendar of Events: Manager Muilenburg reviewed the calendar of events:

- April 10 – Clay RW Annual Meeting, 5:30 p.m. at the 4-H Center in Vermillion
- April 16 & 17 – Office Staff’s Group Meeting in Sioux Falls
- April 23 & 24 – Rural Water Expo, Rapid City
- April 28 (Monday) – next Board Meeting, 7 p.m., System Office
- May 3 – Fishing Tournament in Pierre

Supplemental Information: Note from Arlene DeVany with her Scholarship payment check, and information provided on our Future Use Permit renewal.

Adjournment: A motion was made, second, and carried to adjourn at 9:02 p.m.

RECORDED BY: Donna Henriksen
ATTEST: Patricia Manning, Secretary