

**SUMMARY**  
**CLAY RURAL WATER SYSTEM, INC.**  
**BOARD OF DIRECTORS – REGULAR**  
**FEBRUARY 28, 2023**

**The regular meeting** of the Clay Rural Water System, Inc. Board of Directors was called to order at 6:59 p.m. by President Randy Huot at the system office. Director's present: Jerry Buom, Pat Manning, Tim Irwin, Randy Ronning, Randy Huot, Mark Bottolfson, Ken Kessler. Absent excused: Dave Reiff and Cody Merrigan. Donna Henriksen, Office Manager was also absent. Also present were Manager Steven Muilenburg, Controller Pam Lunning and Engineers Chancey Shrake, Nick Gillen, and Deryn Beck.

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

**DIRECTOR CONFLICT WITH AGENDA ITEMS:** None

**MINUTES:** The minutes of the Regular Board Meeting that was held January 24, 2023 was presented for approval. A motion was made, second & carried to approve. The Board Summary for the regular board meeting on January 24, 2023 was presented for approval. A motion was made, second and carried to approve.

**VISITORS TO BE HEARD:** None.

**FINANCIAL STATEMENTS:** The January Financial Summary, Balance Sheet, Profit and Loss, and a revised cost of production reports were reviewed by Manager Muilenburg and Controller Pam Lunning. Seven Financial Transfers were presented; a motion was made and second to approve. Motion carried. The Financial Checklist was reviewed.

**CHECK REGISTER:** Manager Muilenburg reviewed the February Check Register and the Bills Due before the Next Board Meeting. A motion was made, second and carried to approve payment of the bills.

**MANAGERS'S REPORT:** Manager Muilenburg presented the February Manager's Report. The operators have been working on the Zone Metering. Two meters are installed and three more have arrived. The new server for the office is being installed. They are currently advertising for a seasonal helper. The operators are continuing to do hard flushing throughout the system. A large leak in the South Union area caused an increase in the water loss percentage to rise to 33%; Wakonda area was at 17%.

**LEGAL REPORT:** Manager Muilenburg discussed the *Refused Easement* that is being proposed to place into policy. A motion was made, second and carried to table the action on this item until the August 2023 meeting when policies are reviewed.

**SDARWS UPDATE:** Manager Muilenburg commented about the \$100 Million of unused ARPA funds and SB 156 and SB 184 bills in the legislature to provide the funding to Western Dakota Pipeline and Lewis and Clark. When more information is available the board will be updated. No updates from Mark Bottolfson.

**UNFINISHED BUSINESS:**

- **Projects Phase I & II.** Chancey Shrake of Brosz Engineering reviewed the following with the Board: Contract Time and Budget Summary through February 27, 2023, including project milestones, construction progress updates, and critical construction or schedule issues which related to the

Vermillion River and the need for boring. A motion was made and second and carried to approve 4 financial transfers.

- **Christmas Party Comments:** There was a brief discussion on the Christmas Party that was held for the Staff and Board of Directors at Great Shots in Sioux Falls, SD. Everyone enjoyed the event.

#### **NEW BUSINESS:**

- **District Election Procedures.** The District Election Procedures were reviewed. District Elections will be held on Friday, March 3<sup>rd</sup> by phone conference call. A motion was made, second & carried to approve the election board.
- **Appoint Scholarship Committee.** Chairman Randy Huot appointed Ken Kessler, Cody Merrigan and Pat Manning to the 2023 Scholarship Committee. A motion was made, second and carried to accept the committee.
- **Open Enrollment for Insurance.** Manager Muilenburg commented on the insurance that was available for directors. No action was required.
- **Annual Meeting.** An update was given on the Annual Meeting that will be held on March 21st at 5:30 p.m. in the Armory in Vermillion. Arrangements for the meal have been made. There was discussion about door prizes. A motion was made, second and carried to give one (1) \$10.00 water credit per membership of CRWS when registering at the Annual Meeting and ten (10) \$50.00 water credits will be drawn for at the annual meeting as door prizes.
- **Accounting/Payroll and 2023 Audit in 2024.** Manager Muilenburg commented that the payroll has been outsourced to Hofer, Humpal & Hadler P.C. of Sioux Falls. Manager Muilenburg also commented on using MMWF for the 2023 audit in 2024 and the Annual Meeting date would need to move to April or May. No action was taken at this time.
- **Equipment Purchases.** Manager Muilenburg presented information on the purchase of a mini excavator. This is a non-budgeted item. The operators have found a 2023 CASE CX57C Mini Excavator at Titan in Sioux Falls. After some discussion a motion was made, second and carried to approve the purchase of the mini-excavator not to exceed \$82,000.00. Manager Muilenburg also presented to the board the purchase of a utility box for the new dually pickup that has been purchased. After discussion by the board the purchase died for lack of a motion.

**ROUTINE OFFICE BUSINESS:** Two Drop Services, eight new members and no bad debts were approved by unanimous consent.

**OTHER ITEMS FOR DISCUSSION:** Manager Muilenburg asked to have the April Board Meeting changed from Tuesday April 25<sup>th</sup> to Thursday April 20<sup>th</sup> or Friday April 21<sup>st</sup>. The board concurred to move the meeting date to Friday, April 21<sup>st</sup> at 7:00 p.m.

**CALENDAR OF EVENTS:** Manager Muilenburg reviewed the calendar:

- March 1 – Scholarship Applications Due
- March 3 – District Elections Teleconference
- March 21 – Annual Meeting at Armory in Vermillion; 5:30 p.m.
- March 28 – Next Board Meeting, 7:00 p.m., System Office

#### **SUPPLEMENTAL INFORMATION:**

- Thank-you' s from area Food Pantries
- Union County 4-H Thank You

**ADJOURNMENT:** A motion was made, second and carried to adjourn the meeting at 9:49 p.m.