

**MINUTES**  
**CLAY RURAL WATER SYSTEM, INC.**  
**BOARD OF DIRECTORS – REGULAR**  
**April 22, 2024**

1. **CALL TO ORDER:** 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.
2. **ROLL CALL:** Directors present: Jerry Boom, Pat Manning, Tim Irwin, Ken Kessler, Randy Ronning, Randy Huot, Mark Bottolfson, Cody Merrigan, and Josh Wendling. Also present: Manager Steve Muilenburg, and Office Manager, Donna Henriksen.
3. **ADOPT AGENDA:** A motion was made, second, and carried to adopt the revised agenda.
4. **DIRECTOR CONFLICT WITH AGENDA ITEMS:** None.
5. **MINUTES:** Minutes of March 26, 2024, regular Board minutes were presented for approval. A motion was made, seconded, and carried to approve. The Board Summary for March 24, 2024, was presented for approval. A motion was made, seconded, and carried to approve.

A motion was made, second and carried to suspend the Rules and move to Item 14A. Recognize Scholarship Recipients.

- 14A. **RECOGNIZE SCHOLARSHIP RECIPIENTS:** The 2024 Scholarship winners & their parents were present to be recognized by the Board. Cody Merrigan, Chairman of the Scholarship Committee presented certificates to: Andrew Sharples-Schmidt of Wakonda; Brody VanBeek of Irene-Wakonda; and Joel Dahlhoff of Vermillion High School.

A motion was made, second and carried to suspend the Rules and move to Item 13A. Projects Phase I & II Update.

- 13A. **PROJECTS PHASE I & II UPDATE:** Chancey Shrake & Deryn Beck of Brosz Engineering updated the Board. Winter Contracting is back in the area and has 4-5 weeks of work left to perform. The Westerville building is on a trailer in Mitchell. Clay RW has been offered 2.7 million in additional ARPA grant funds for Phase I. The test holes have been drilled for the tank at the water plant and the soil is all good. The SRF loan appears to be the best choice for funding, so a proposal will be brought to the Board in May. Several action items were presented:
  - A motion was made and second to approve the request letter, for additional ARPA funds, in support of the Resolution. Motion carried.
  - A motion was made and second to adopt Resolution #2024-01, requesting the additional 2.7 million of ARPA funds. Motion carried.
  - A motion was made and second to approve Draw #14 in the amount of \$493,242.13. Motion carried.
  - A motion was made and second to approve the Pay Request for Winter Contracting, in the amount of \$492,939.90. Motion carried.
6. **VISITORS TO BE HEARD:** None.

**7. FINANCIAL STATEMENTS:**

- A. The March Financial Summary and allocations were reviewed by Manager Muilenburg. A question was asked if anything could be done about the high Verizon bill in March, with unexplained usage. Donna will check into this.
- B. April Transfers: A motion was made, second and carried, to approve the five financial transfers.
  - 1. Approval #2024-19 from Premier Checking to FD Checking for SRF – SU loan payment set aside, the amount of \$18,879.00.
  - 2. Approval #2024-20 from Premier Checking to FD Checking for SRF – 2020 Project loan payment set aside, the amount of \$8,000.00.
  - 3. Approval #2024-21 from Premier Checking to FD Checking for Insurance set aside, the amount of \$4,000.00.
  - 4. Approval #2024-22 from Premier Checking to FD Checking for Phase I Project set aside, the amount of \$8,000.00.
  - 5. Approval #2024-23 from Premier Checking to Depreciation Reserve set aside at Premier Bank, the amount of \$12,000.00.
- C. The Board completed Items on the Board Checklist.

- 8. **CHECK REGISTER:** Donna Henriksen reviewed the April Check Register and May Bills requiring pre-approval. A motion was made, second and carried, to approve payment of bills.
- 9. **MANAGER'S REPORT:** Manager Muilenburg gave his report. The driveway on Frog Creek is complete & Winter Contracting is bringing in equipment. Work is being started on the development near Clay Co. Park; 300<sup>th</sup> St Project has been completed and we are preparing the invoice to send for approval; one new employee has started and another will start April 29<sup>th</sup>. The servicemen have been kept busy with locate tickets. New installations are slow this year and cleaning of the R/O membranes at the Wynstone Plant has been completed. The March water sales report was reviewed.
- 10. **LEGAL REPORT:** We will have Mike McGill prepare an agreement for the Clay Co. Park Development work.
- 11. **SDARWS UPDATE:** Mark Bottolfson reported on the Board meeting he attended on April 4<sup>th</sup>. Kurt Pfeifle has retired and Jeramiah Corbin is the interim Executive Director. He also mentioned all the upcoming SDARWS events.
- 12. **DAKOTA MAIN STEM PROJECT:** Manager Muilenburg explained the Dakota Main Stem Project; they have received \$1,000,000 ARPA funds for start-up costs. Manager Muilenburg is on the Design Committee, and they will be interviewing and selecting an Engineer at their next meeting, May 11<sup>th</sup>. Kurt Pfeifle is the new Director.
- 14. **NEW BUSINESS:**
  - B. Discuss Capital Purchase:** Manager Muilenburg reviewed quotes for a new pressure washer/trailer. A motion was made and second to purchase from Northern Tool, with Ken Kessler and Tim Irwin abstaining. Motion carried.
  - C. Donation Request from Clay County Fair/4-H:** The Board reviewed the request for a donation to the Clay County Fair; this was discussed at the February 27, 2024 Board meeting and had been voted on to donate \$250 to them.
  - D. Bank Signature Cards:** A motion was made and second to authorize the Officers and Manager to sign all the new Signature Cards for various banks. Motion carried.

15. **ROUTINE OFFICE BUSINESS:** A motion was made, seconded, and carried to approve the following Routine Office Business including: no Drop Services, New Members: Amy Fill 94-53-36-02, Hanna & Brandon Cabney 94-53-09-03, Josh Balleweg 93-52-34-01, Grant Isley 92-51-BK-33, Robert Geary Farms\* 91-49-35-01; and one Bad Debt: Kyle Frye \$134.80.
16. **OTHER ITEMS FOR DISCUSSION:** Manager Muilenburg reported Clay RW has received a \$10,000 grant from Vermillion Basin Water Development District. Discussion was held on the Annual Meeting; all thought it went very well and noted some ideas for next year.
17. **CALENDAR OF EVENTS:** Manager Muilenburg reviewed the following:
  - April 24 & 25 – Manager’s Meeting & Rural Water EXPO, Rapid City
  - April 30 – Safety Training at Clay Rural Water System, 1:30 p.m.
  - May 27 – Office closed for Memorial Day Holiday
  - May 28 – next regular Board Meeting, 7:00 p.m., System Office
18. **SUPPLEMENTAL INFORMATION:** Several thank you’s were reviewed.
19. **ADJOURNMENT:** A motion was made, second, and carried to adjourn at 8:40 p.m.

ATTEST: Patricia Manning, Secretary  
RECORDED BY: Donna Henriksen, Office Manager