

CRWS

Clay Rural Water System, Inc.

Quality On Tap!

January 2023 | Volume 18, Issue 3

Quality
On Tap!

**FINANCIAL
SUSTAINABILITY
FOR WATER
UTILITIES**

**PFAS COST
RECOVERY
PROGRAM**

**WATER & WASTEWATER
OPERATIONS SPECIALISTS:
A WORKFORCE CRISIS**

ANNUAL MEETING | BYLAWS CHANGES | DIRECTOR ELECTION | SCHOLARSHIP INFO

FROM THE MANAGER

Steve Muilenburg
Manager, Clay Rural Water System, Inc.



With 2022 in the rear-view mirror, we are off to the races with 2023. When I say “off to the races” I guess that could be taken literally. Trying to stay ahead of interest rates and inflation has become a daily challenge over the last year. As I have said in the past, general inflation numbers and industry specific inflation numbers are not on the same playing field. When we were looking at project costs and bid items this past fall, inflation was around 8.5%. A vast majority of the items we were bidding were running at inflation rates of 10-20 times greater than the 8.5%. I like to inform people of these issues because with all the hype about the infrastructure bill (ARPA or American Rescue Plan Act) all this free money, it is not going to stretch as far as it would have two or three years ago. In 2022 CRWS received a larger percentage of grant than most other water systems that applied for funding through DANR (Department of Agriculture and Natural Resources). CRWS requested funding for a \$16,517,000 project to increase and update its capacities and ability to distribute water across its entire area. We did receive two grants in this package. One was an ARPA grant for \$4,955,100 and one state grant for \$825,850. This left us with a loan for \$10,736,050 at 2.125% interest. This is one of the best project packages that CRWS has ever received, and we will make sure we spend every dollar of it wisely. CRWS recently completed its last project slated to cost 2.1 million with a final bill of 1.8 million dollars. This \$312,000 cost savings took the help of the entire staff at CRWS, and this type of commitment is how we plan to move forward with the next project.

The federal and state governments do have stipulations that go along with these funding packages. Most of which make our bidding and construction processes more expensive than they should be. Some of this we have options for change or an ability to minimize the cost of these stipulations. One that we have no control over is that the state mandates we meet a debt service coverage that they feel comfortable with. As with nearly every system, this mandates an increase in customer rates to repay these loans. In order to move forward on these projects, we must make the necessary adjustments to these rates. With this in mind, the CRWS Board of Directors has made a rate adjustment effective January 1, 2023. With this change, rates will vary slightly. Most customers will see an increase in their monthly minimum; however, the customers residing in the four southern Union Co. housing developments, will not have an increase in minimums, but in water charges instead. If anyone is wanting a specific breakdown of how their water bill is calculated, please contact our office for that information. To sum it up, most users will see about a \$10 per month increase in their water bill from CRWS. As you calculate this a \$120 increase over a year's time, it is a fair amount, and we are in much better shape than a lot of other systems. I know one system in the state that has a cost nearly twice what ours is. There is a study done each year and CRWS falls in the middle as far as cost of water. I think in most cases utilities are going to increase rates or already have and we are no exception here at CRWS. We must rely on other utilities to run our system and are subject to the day-to-day operational costs subject to inflation. We will continue to operate responsibly and at the most reasonable cost possible to still provide you with one of the most increasingly precious commodities in the world.

We are excited to move ahead with these projects so we can keep up with the demands of our existing and the future customer of Clay Rural Water System. We wish you the best as we move forward with 2023.



BOARD OF DIRECTORS

Randy Huot, President
Randy Ronning, Vice-President
Patricia Manning, Secretary/
Treasurer
Mark Bottolfson, State Director
Dave Reiff, Director
Nicholas McKee, Director
Tim Irwin, Director
Ken Kessler, Director
Cody Merrigan, Director

STAFF

Steve Muilenberg, Manager
Donna Henriksen, Office Manager
Leanne Brown, Accounting
Pam Lunning, Controller
Rob Ganschow, Chief Treatment
Plant Operator
Andy Ganschow, Chief Distribution
Operator
Phil Iverson, System Operator
Lane Severson, System Operator

CONTACT INFORMATION

30376 SD Hwy 19
Wakonda, SD 57073
Phone: (605) 267-2088
Fax: (605) 267-2085
email: office@clayruralwater.com

MISSION STATEMENT

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.

CLAY MEMBERSHIP CORNER

Quarterly Calendar

DECEMBER 19

Monthly Board Meeting, 9:00 a.m.,
System Office

DECEMBER 26

Office closed for Christmas

JANUARY 2

Office closed for New Year's

JANUARY 26

Monthly Board Meeting, 7 p.m.
System Office

FEBRUARY 20

Office closed for President's Day

FEBRUARY 23

Monthly Board Meeting, 7 p.m.
System Office

MARCH 3

District Elections (if required)
Separate Notice to be Mailed

DISTRICT ELECTIONS MARCH 3RD

The Board of Directors has set March 3, 2023, as the date for the annual District Elections. Meetings will be held if there is more than one candidate in any of the three voting districts. See page 14 for more info.



TRIVIA CHALLENGE

Three random names will be chosen from all callers that answer these trivia questions correctly. Each winner will receive a \$10 water credit. Last issue winners were: Joyce Kayl, Lori Hubert, & Joy Moore.

1. **"When did Clay Rural Water Incorporate?"**
A. June 23, 1975 B. July 21, 1975 C. Aug. 28, 1976
2. **"The original Board of Directors consisted of how many members?"**
A. 9 members B. 12 members C. 10 members
3. **"How many years has Clay Rural Water System offered a Scholarship Program?"**
A. 25 years B. 31 years C. 35 years



LEAK REWARD

Members who report a water leak on one of the system pipelines will receive a \$50 leak reward. With over 1,350 miles of pipeline in the distribution system, members can play a key role in assisting system personnel in locating water leaks.

Do We Have Your Number?

Changed phone numbers lately? Dropped your landline? If so, please make sure and let the water system office know. We periodically need to call members for water outages, scheduled maintenance, etc., and quite often we find we do not have a current phone number.

You can reach us at 605-267-2088 or via email at office@clayruralwater.com.

PAYMENT OPTIONS

We offer a variety of ways to pay your water bill:

- 1) Check or money order
- 2) Automatic bank deduction - no charge to customer
- 3) Online - www.clayruralwater.com - click on Member Services Tab (fees do apply)
- 4) All credit/debit card payments will be charged a 3% transaction fee

Call our office for more details on any of these options at 605-267-2088.

31ST ANNUAL JACK & ARLENE DEVANY SCHOLARSHIP PROGRAM

The Clay Rural Water System Board of Directors announces the 31st Annual Jack and Arlene DeVany Scholarship Program. Three scholarships will be awarded to a member or son or daughter of a member who will attend a post-high school educational institution.

The scholarship program is named in honor of the water systems long-time attorney Jack DeVany, and his wife Arlene, a long-time educator.

Applications can be completed any time after January 1st and must be postmarked by March 1, 2023. Applications can be picked up at a high school guidance office or downloaded online at www.clayruralwater.com.

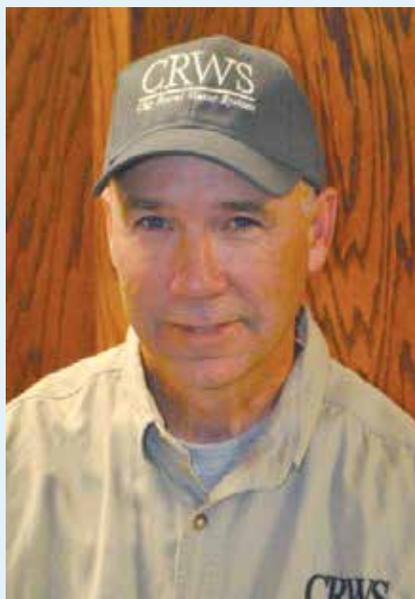
Members whose children will graduate from one of the following school districts in the spring of 2023 are eligible to apply: Akron, Centerville, Irene-Wakonda, Dakota Valley, Alcester, Beresford, Elk Point-Jefferson, Gayville-Volin, Vermillion and Viborg. In addition, any member who is obtaining post-high school education is eligible. No graduate students are eligible. For more information, contact the system office at 605-267-2088 or email office@clayruralwater.com.



EMPLOYEE ANNIVERSARIES



Pam Lunning
*1 year of service on
November 11th, 2022*



Phil Iverson
*23 years of service on
February 1, 2023*



*from the Board of
Directors and Staff of
Clay Rural Water*



PFAS COST RECOVERY PROGRAM

When U.S. EPA issued the 2016 health advisory, the National Rural Water Association Board of Directors voted to engage the Napoli Shkolnik law firm to file a cost recovery action that would allow all utilities to register and recover any current and projected future expenses for testing, treatment, and remediation due to PFAS contamination upon any potential settlement or judgment in your favor. For clarification, this is not a class action lawsuit as there are multiple classes of plaintiffs; thus, they are combined into what is called multidistrict litigation. The three points stressed to utilities are:

1. The action is cost recovery, not punitive.
2. The litigation is filed against the global manufacturers of the compounds and does not impact local companies who may have used them.
3. **There is zero upfront cost to register the utility onto the cost rolls; however, a system must be registered prior to any settlement or judgment being reached in order to benefit.** While there is no timeframe as to when a settlement may be finalized, those settlement talks are underway. The recently announced revised health advisory from EPA will further place pressure on a

potential settlement being reached.

There is no threshold or cost to register onto the cost recovery rolls; we encourage all systems to register and protect their system and ratepayers from a potential increased financial burden. Systems should register regardless of testing or detection status. Registering onto the cost recovery rolls is like an insurance policy without a premium and, if your customers ask, a strong positive message that the system has undertaken action to lessen any financial burden resulting from PFAS contamination.

Time is of the essence; the latest health advisory levels have been lowered to non-enforceable levels of 2 and 20 per quadrillion. The EPA is establishing an enforceable maximum contaminant level (MCL) under the Safe Drinking Water Act, which means that a system with any level of detection is likely to be out of compliance with the federal standard. Considering PFOS and PFOA are labeled as hazardous substances, there is sure to be a large financial impact on utilities if these “**forever compounds**” are detected.

SDARWS is encouraging all utilities to take the first step and register at www.napolilaw.com/nrwa-pfas.



WATER & WASTEWATER OPERATIONS SPECIALISTS: A Workforce Crisis

In 2012, Readers Digest named Water/Wastewater Treatment Plant and System Operators as one of the top 10 jobs Americans can't live without – second only to registered nurses. The men and women who work in the water industry have an obligation to continually provide an adequate and safe supply of drinking water to their customers with every turn of the tap. Their job is necessary for public health and critical to the viability of our communities. An important job such as this needs trained and committed individuals to provide these vital services. While a college degree is not always required, Water and Wastewater Operations Specialists in South Dakota are

The men and women who work in the water industry have an obligation to continually provide an adequate and safe supply of drinking water to their customers with every turn of the tap.

required to be certified and attend between 10 and 30 hours of training per year. To obtain their certification, they must be able to pass a certification exam – the level of which depends on the size and complexity of their system. Training for water and wastewater certification is provided through the State of South Dakota in cooperation with the South Dakota Association of Rural Water Systems. On the job they are tasked with following critical guidelines set forth by the Environmental Protection Agency (EPA), and the South Dakota Department of Agriculture and Natural Resources (DANR).

The trouble is, finding qualified Operations Specialists is getting tougher each and every year. Many of South Dakota's Operations Specialists were born during the Baby Boomer generation and entered the water and wastewater field during the 1970's and 80's. Alarming, most facility managers are over 50 years of age – and are getting ready to retire. The loss of these individuals not only creates a job opening – but the loss of years of technical skills, experience and knowledge on how to run the system they have been operating for decades. This workforce crisis is leaving water systems looking for dependable, competent, and knowledgeable workers.

Besides losing qualified personnel, another issue is the lack of people interested in taking a job in the “unglamorous” field of water and wastewater. Operator turnover has been – and continues to be – a significant obstacle in the effort to increase operational capacity of rural and municipal utilities. The most crucial component of protecting our water quality is the experienced, trained and certified workforce that operates and maintains the infrastructure of our water and wastewater systems.

One has to wonder where these replacement workers are going to come from. In this age of computer technology and electronic communications, the number of people willing to step into the water and wastewater industry has declined. Some of this stems from the low wages cities and public utilities are willing and able to offer those responsible for the quality and availability of water.

Try to convince elected officials that the miracle cure for budget deficits and aging infrastructures isn't finding cheap help, or underpaying your employees. Like all businesses,

utilities must find a balance between competitive and justifiable salaries. Low salaries will increase employee turnover. Without decent wages, benefits and working conditions, work quality can suffer due to high turnover, inadequate training and experience, and low morale.

Can utilities change the way they do business to reverse this job vacancy trend? Governing boards and management should start establishing long-range plans to assure essential services are not disrupted or sacrificed due to inexperienced staff.

It is no question that Operations Specialists are important public stewards whose jobs are necessary for public health, and critical to the economic viability of our communities. There is no doubt

that we need trained and committed individuals to provide these services. Turnover in the workforce can lead to the loss of key technical skills and expertise. As water systems

work to overcome these workforce obstacles, the most vital part of protecting our water quality is through the skilled professionals who work to treat and distribute safe public drinking water.

Turnovers may bring in lower-paid, less qualified personnel. This change can have damaging effects on service quality and work environments. Hiring inexperienced employees to make repairs or respond to customer concerns is just asking for trouble. Maintenance issues will fall by the wayside, equipment will wear out faster, and the public will complain. Deficits in your system could cause

State and Federal Environmental Standards violations – forcing your system or utility into paying penalties and fines for non-compliance issues and violations.

The most vital component of protecting our water quality is the experienced, trained and certified workforce that operates and maintains the infrastructure of our water systems.

It is no question that Operations Specialists are important public stewards whose jobs are necessary for public health, and critical to the economic viability of our communities. There is no doubt that we need trained and committed individuals to provide these services.

FINANCIAL SUSTAINABILITY:

The Case for Full Cost Pricing for Water Utilities

by *Miranda Kleven, AE2S*

Sustainability is the buzz word of the industry. Common topics include sustainable water supplies, sustainable construction methods, sustainable infrastructure, and sustainable financial management, to name a few. Sustainability is achieved when we are able to meet our needs today without compromising the opportunity for future generations to meet their needs.

“Sustainability means providing an adequate and reliable water supply of desired quality – now and for future generations – in a manner that integrates economic growth, environmental protection and social development” (American Water Works Association (AWWA), 2010).

The US Environmental Protection Agency (EPA) has developed a Sustainable Infrastructure Initiative to help utilities address the task of maintaining high quality water and wastewater services in the face of challenges such as aging infrastructure, limited funding assistance, diminishing water supplies (in some areas), increasing water quality standards, and others. The Sustainable Infrastructure Initiative places focus on four areas: Better Management, Efficient Water Use, Watershed Approaches to Protection, and Full-Cost Pricing, the latter of which is the focus of this article.

Full-Cost Pricing Defined

A utility's cost of service is defined as a system's total cost of providing service to its customers. This generally includes operation and maintenance (O&M), administrative/billing, reserves, and capital costs. Capital costs can be represented by rate-funded capital, debt service principal, depreciation, rate of return on the system's asset base, or some combination thereof. Full-cost pricing is the direct application of the calculated cost of service to the development of rates, fees, charges, and other revenue mechanisms associated with providing service. The goal of full-cost pricing is a revenue stream that adequately covers ongoing O&M requirements and reinvestment in the system.

Full-cost pricing is generally the standard in private regulated utilities. Unfortunately, rates charged by public systems are often viewed as taxes rather than fees for service. In many communities, this has created a reluctance to maintain rates consistent with rising costs and has resulted in deferral of capital investment.

Why Implement Full-Cost Pricing?

The most obvious benefit of full-cost pricing is the ability of the system to consistently meet all on-going operational, maintenance, and capital costs, providing a high level of service. It is important that utilities do not operate at a loss

or continually deplete cash reserves so that degradation of the system does not result, thereby compromising the quality of service provided.

Some communities routinely make transfers from other accounts to cover utility costs. Though this is a local policy decision and is not necessarily unfair, it is not in line with full-cost pricing strategy. Such practices may be taking funds away from another area that is then unable to meet ongoing maintenance needs. Subsidizing the utility is simply not considered a sustainable practice unless the transferred funds are somehow legally obligated to the utility.

By recovering all utility costs through designated fee schedules, users will better understand the value of the service



provided. This transparency encourages conservation of resources by providing an accurate indication to your users of the real cost of operating and maintaining the utility and sending an accurate price signal to customers.

Recognize that It's Not as Easy as It Sounds

The development of a full-cost pricing structure sounds like a straight-forward task. Add up the O&M costs, reserve requirements, capital costs, etc., and divide by the number of users or amount of water sold or wastewater collected. Unfortunately, it's not that easy. First of all, there are several opinions on what represents the “full cost.” Sustainability is most often described as the triple bottom line – economic, social, and environmental. The successful overlap of these aspects is where sustainability is achieved. So there are questions that come up in full-cost pricing related to the triple bottom line, such as: Should you consider impacts to the environment, such as potential loss of recreation or the impact of sewage flows? Are social costs, such as those associated with electricity generation included? What about return on capital? There are a number of unaccounted costs that could be argued into the equation, potentially making

it very complex. For the most part, O&M and administrative costs, reserve requirements, and a representation of capital cost (a combination of depreciation and a return on investment or debt service principal and rate-funded capital) will give you a good place to start.

Be aware that there may be social issues that make full-cost pricing difficult. Affordability is a reasonable concern, as the availability of basic services to all users is a primary goal for all utilities. Consider the makeup of the community and whether programs to assist low-income users with a subsidy would be appropriate. By providing a subsidy for a subset of the users, you will be able to structure your rates at or slightly above the cost of service (if absorbing the subsidy within the utility), thereby achieving full-cost recovery while remaining sensitive to affordability issues.

In some areas, communities use sales tax revenues for utility repair and/or improvement costs. This practice is one that tends to be adopted by others in the area once neighboring communities demonstrate success. While not in line with full-cost pricing, this can be an effective solution for some systems if full-cost pricing of rates is not feasible.

For small and rural systems, sustainability may be a different objective initially due to limited population density and affordability issues. As a result, it is common in such systems to utilize grant or alternate funding sources initially and then strive for sustainability after initial construction.

Each community may have different objectives for its municipality. Some may desire to promote economic development by offering attractive rates to industrial users. This is another instance in which a subsidy may be an appropriate means for supporting a rate structure that is reflective of full-cost pricing but encourages economic growth. The message associated with under-pricing for economic development purposes should be considered, to avoid promoting inefficient water use by the industry. In many cases, the addition of industrial users frequently serves to improve the financial position and sustainability of utility systems.

In the end, a rate structure that does not rely on subsidies from outside of the utility is the most sustainable approach. Given constraints such as those discussed above, however, the ability of a utility to implement a purely cost of service-based rate structure will vary based on local policy and unique objectives of each municipality. Full-cost recovery still remains a worthy goal for every system.

Step Toward Financial Sustainability

How do we make this happen? Experts agree that the move toward full-cost pricing must be taken in steps. The process will require time and significant public education efforts. Consider the following tips to start easing your utility toward financial sustainability:

- If not already in place, implement accounting and reporting practices that are specific enough to facilitate cost allocation to specific user classes. Regulated private

utilities, as well as some unregulated utilities, use the National Association of Regulatory Utility Commissioners (NARUC) uniform system of accounts.

- Track usage patterns for each user class to provide data for evaluating future revenues.
- Implement public outreach initiatives to educate consumers on the value of water.
- If not already practiced, begin funding reserves to adequately provide resources to meet ongoing maintenance needs and to fund reinvestment. Reserves are an important component of the full-cost pricing rate configuration. This only works, however, if reserves are funded at adequate levels and reserve funds are not diverted to other funds.
- Complete mid- and long-range planning efforts to enable you to forecast revenue requirements into the future. As part of this, consider the degree to which you are willing to promote conservation through non-pricing means, such as rebates, consumer education programs, ordinances with usage restrictions, etc, and evaluate the potential revenue effects associated with such efforts.
- Complete a cost of service analysis, allocating all costs to the appropriate customer classes. Set rates to send an accurate price signal, while taking care to consider affordability issues applicable to your service area. Observe the effects of changes to your rate structure and track usage patterns.
- Optimize system operations. Look for means to enhance efficiencies and potentially reduce costs on the operations side. In addition, review metering and billing practices for potential ways to increase revenue collections.
- Implement a comprehensive asset management program to allow you to plan and manage responsible reinvestment in the system.

Conclusion

The result of successful transition to full-cost pricing is a system that does not divert funding from other sources, sends an accurate price signal about the value of service to customers, and provides for financial sustainability. In turn, financial sustainability is key to overall system sustainability.

For more information on sustainability initiatives and resources available through the AWWA, visit www.awwa.org/Resources/SustainableUtilities.cfm?itemNumber=54091

References:

American Water Works Association (AWWA) Government Affairs Office, AWWA and Water Utility. Sustainability, December 2010.

"Case Studies of Sustainable Water and Wastewater Pricing," USEPA, December 2005.

"Full Cost Accounting for Water Supply and Sewage Treatment: A Case Study of the Niagara Region, Canada" Steven Renzetti, Brock University, Catherines, Ontario, 2003.

"Full-Cost Pricing," Janice A Beecher, Ph.D., Institute of Public Utilities, Michigan State, 2007.

TM RURAL WATER DISTRICT

In March of 1982 an informational meeting was held in Parker, South Dakota to determine the interest and feasibility of constructing a rural water system in the area. Interest quickly spread from just a couple of farmers looking for a safe and reliable source of water for their families and livestock to several hundred in addition to several small communities in the area. By January of 1983 the final signup meetings were held at towns throughout Turner and McCook Counties within the proposed District's boundaries collecting 679 signatures in all. Soon after, a petition to organize a Water User District was sent to the South Dakota Board of Water and Natural Resources. In March of 1983 TM Rural Water District came into existence.

In order to start construction the District secured financing in loans and grants totaling \$8.22 million.

✓ CDBG Grant	\$850,000
✓ State Grant	\$50,000
✓ State Loan	\$400,000
✓ FmHA Loan	\$2,600,000
✓ FmHA Grant	\$3,985,000
✓ TM Sign Up Fees	\$335,000
	<hr/>
	\$8,220,000

With the first water provided to users in 1984 ramping up to completion of the original project early in 1986 the TM Rural Water District had placed over 650 miles of water line to feed over 800 rural users in addition to the communities of Canistota, Davis and Viborg. The original Water Treatment Plant utilized an Iron and Manganese removal system with a finished water softness of 7 to 8 grain hardness. The minimum charge which included 1,000 gallons of water was \$25.00/month and any water consumed in excess of 30,000 gallons/month was charged at \$.75/1,000 gallons. At that time the District supplied approximately 160 million gallons of water each year to the users on the system and over the years the amount of pipeline and users on the system continued to grow.

TM completed construction of a new 4.0 million gallon per day Water Treatment Plant in 2008. The Water Treatment Plant utilizes traditional lime softening treatment where raw water is mixed with a lime slurry which then reacts with the calcium and manganese in the water. The calcium, manganese and other solids bond to the lime and settle to the bottom leaving only clarified water that continues through the rest of the treatment process which includes carbonation, filtration, and chloramination. The plant has 900,000 gallons of ground storage at the Treatment facilities which is distributed to the entire system by utilizing eight on-site high service pumps, three remote booster stations and four elevated water towers which provide an additional 1,100,000 gallons of water storage.

TM gets the majority of its water from four wells drilled into the Dolton and Upper Vermillion Missouri (UVM) Aquifers which in some areas of the well fields the Dolton actually overlies the UVM. The Dolton Aquifer, named for its location close to the town of Dolton, South Dakota is the original aquifer that supplied the source of water for TM and provides a portion of the water utilized by our customers today. The Upper Vermillion Missouri Aquifer is the other source of ground water currently utilized by the District and is the larger of the two aquifers. The District also has an agreement with the city of Parker & BY Rural Water District to purchase supplemental water.

Today the TM Rural Water District provides potable drinking water to 1,650 rural residences, four cities and one ethanol plant. Every year additional users are added onto the water system and due to its location adjacent to Sioux Falls, it is anticipated that the District will continue to grow in the coming years. The District produces and distributes an average of 650,000,000 gallons of water each year through over 910 miles of distribution line.

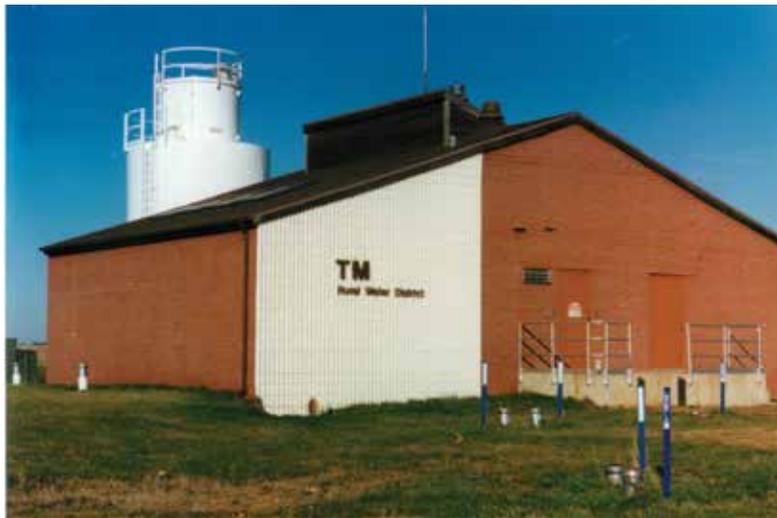
All of this would never have been possible without the past and present TM Rural Water District Board of Directors. The Board's responsibility is to create and modify the District's policies and water rates as needed. Directors are all land owners within the boundaries of the District and take their



New TM Water Treatment Plant



Aerial view of TM Rural Water tower



Original TM Water Treatment Plant



First well - still in use today



Original Construction

jobs very seriously. Serving on the Board these people continually perform selfless acts which include the giving of time and expertise in order to run a business which makes life better for everyone in the rural areas and communities that TM serves.

TM Rural Water District employs six full-time employees from three different communities in the areas that we serve. Whenever possible, TM attempts to buy our supplies and consumables locally and prefer to hire local contractors when the need arises. TM is thankful to have the ability to serve the communities and rural areas in which we live and hope that our service will continue to be a benefit to everyone within our District.

BOARD MEMBERS:

- Greg Wirth – Board President/SDARWS Director
- Dennis R. Johnson – Vice President
- Greg Nugteren – Treasurer/SDARWS Director
- Steve Knutson – Secretary
- Dennis M. Johnson – Director
- Curt Matthies – Director
- Rob Christiansen – Director

STAFF:

- Jay Jorgensen – Manager
- Tanya Wickstrom – Bookkeeper/Billing Clerk/
Receptionist
- Dave Viet – Water Treatment Plant Lead Operator
- Greg Simmermon – Distribution Lead Operator
- Jason Krumbach – Distribution Operator
- Josh Tommeraus – Distribution Operator

SYSTEM AT A GLANCE

Service Connections: 1,650

Miles of Pipeline: 910

Water Sources: Dolton Aquifer, Upper Vermillion Missouri Aquifer, BY Rural Water District, and Lewis & Clark Regional Water

Counties Served: Turner and McCook

Towns Served Bulk: Canistota, Viborg, Hurley, and Marion

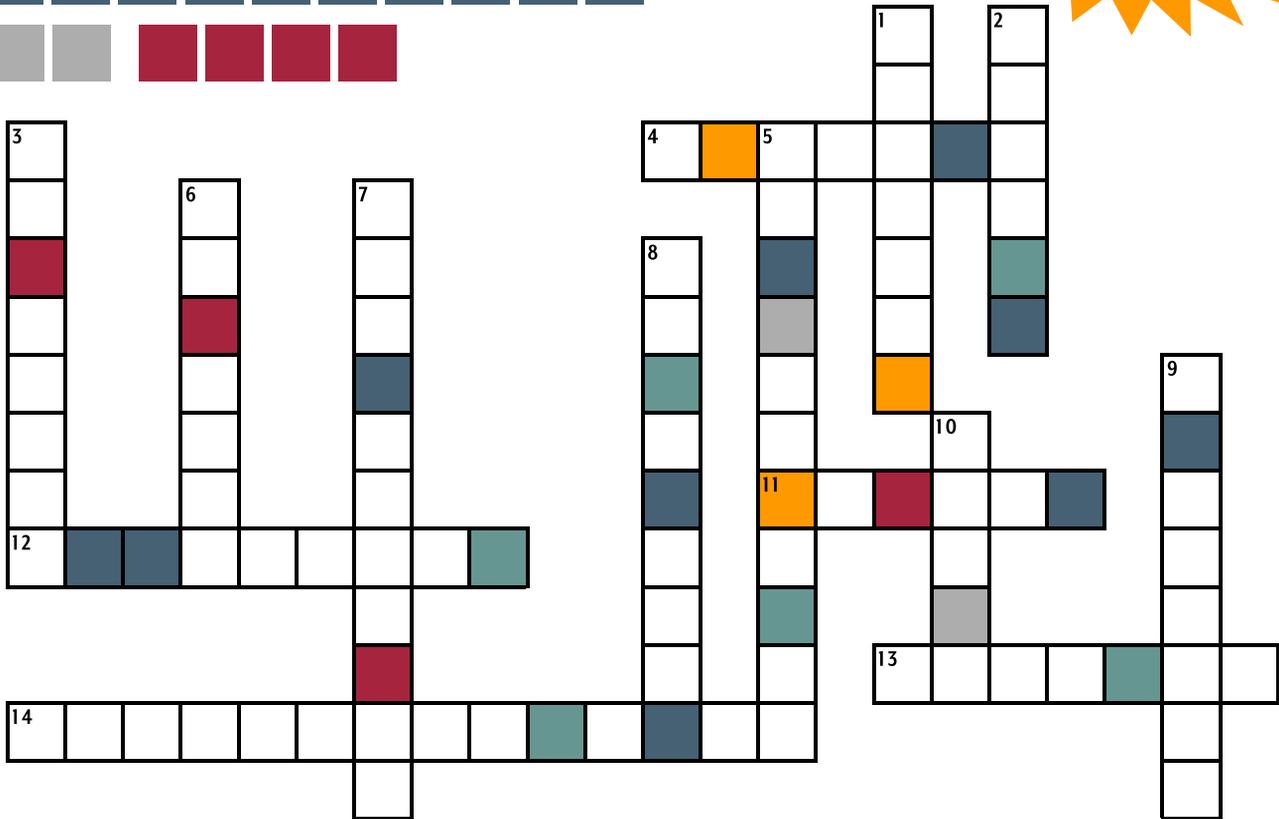
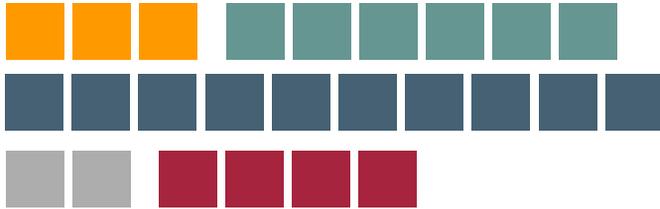
TM RURAL WATER DISTRICT'S MISSION STATEMENT

TM Rural Water District's goal is to improve the quality of life in the rural and small community areas of our state. The District is committed to providing the highest quality drinking water possible at the lowest reasonable cost consistent with good business practices. As a Water User District, the only other product that we have is the service we provide the users. The District goal is that the service is offered with the highest standards.

RURAL WATER CROSSWORD & WORD SCRAMBLE CONTEST

REGIONAL DELICACIES

SCRAMBLE ANSWER



ACROSS

4. Skewered cubes of red meat (typically lamb, venison or beef)
11. Loose meat sandwich similar to a sloppy joe, without the tomato-based sauce
12. Raw beef spread (2 words)
13. A cold one with tomato juice (2 words)
14. Bison on a bun

DOWN

1. Czech sweet pastry that holds a portion of fruit surrounded by puffy dough
2. South Dakota State dessert with German roots
3. South Dakota's tasty state bird
5. Native American take on a traditionally Mexican entrée (2 words)

6. Common catch of the day in SD
7. Dessert bars with chocolate, butterscotch, peanut butter, and Rice Krispies
8. Homestyle meal prepared in a deep baking dish and baked in the oven
9. Flat dough bread fried in oil (2 words)
10. Traditional soft Norwegian flatbread

RULES: Use the colored squares in the puzzle to solve the word scramble above. Call your Rural Water System (See page 2 for contact information) or enter online at www.sdarws.com/crossword.html with the correct phrase by January 15, 2023 to be entered into the \$100 drawing.

Only one entry allowed per address/household. You must be a member of a participating rural water system to be eligible for the prize. Your information will only be used to notify the winner, and will not be shared or sold.

Congratulations to Cheryle Eichmann with Kingbrook RWS who had the correct phrase of "LEARN TO RELISH THE RIDE" for October 2022.

DIRECTOR ELECTION PROCESS UNDERWAY

The Board of Directors has set March 3, 2023 as the date for the annual District Elections.

Meetings will be held if there is more than one candidate in any of the three voting districts. The date for the annual District Elections has been established by the Board of Directors. Elections are scheduled in each of the three-water system voting districts on March 3, 2023. Each year one member from each of the Systems three districts is elected to the Board of Directors for a three-year term. Due to a Bylaws change approved by the membership in March 2011, if only one candidate files for nomination in a district, no election will be held, and that candidate will be declared the winner. If two or more candidates file, an election will be held, and an official notice will be mailed in advance of the meetings with exact times and locations. Clay RWS elects its Directors at the district level, not at the Annual Meeting.

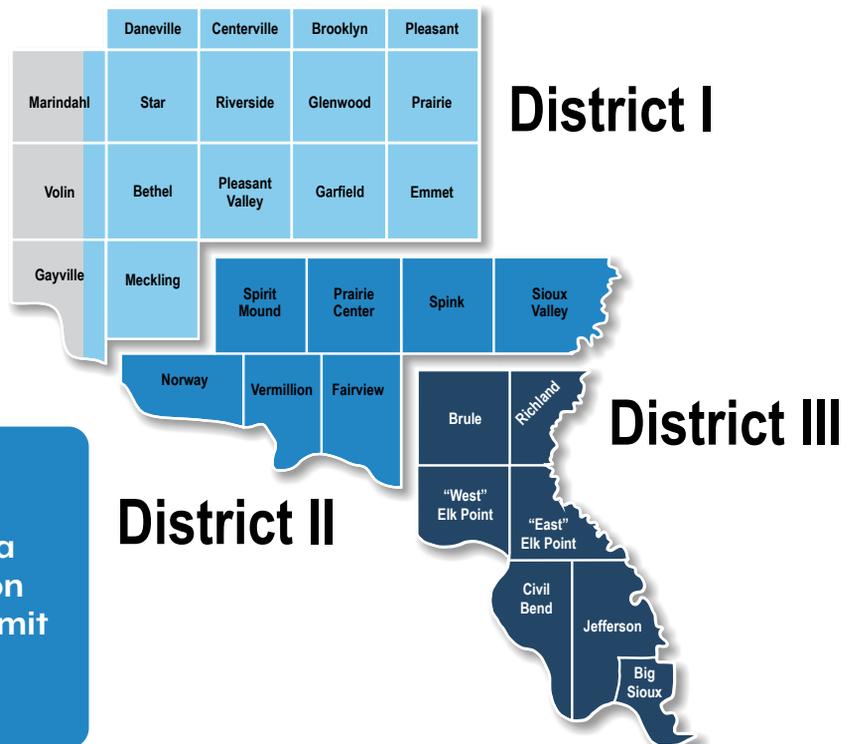
Any member, who wishes to be nominated for a position on the Board of Directors, must complete a "Notice of Intent to Seek Nomination for Director Position" form and submit it to the system office at least twenty days in advance of the District Elections. In the event two or more candidates file, the official notice for the District Election will be mailed to all system members ten days in advance of the elections and will include the names of all system members who have returned the form and wish to be placed in nomination at their respective district. Notice of Intent forms are due in the system office no later than February 10, 2023. A map showing the three system voting districts accompanies this article. If you would like more information on your district, the district election process, serving on the Board of Directors, or to request a Notice of Intent form, contact the water system office

at 605-267-2088 or via email at office@clayruralwater.com.

In order to serve on the Board of Directors, persons must be a member of the water system and a bona fide resident of the area served by the water system. Potential Director candidates should also meet the requirements of system Policy No. 118, "Director Qualifications:"

- An understanding of non-profit, rural water principles.
- A well-balanced understanding of and demonstrated support of the water system.
- Demonstrate willingness to work as a team member with other Board members and the System Manager.
- An ability to maintain a broad perspective, a willingness and a flexibility to represent all members served by the water system.
- A willingness to devote the time necessary to understand and stay current on subjects, issues and events impacting the water system.
- A commitment to full performance of fiduciary duties.
- Membership in the Clay Rural Water System or another rural water system for at least one year (recommended).

In order to serve on the Board of Directors, persons must be a member of the water system and a bona fide resident of the area served by the water system.



Any member, who wishes to be nominated for a position on the Board of Directors, must complete a "Notice of Intent to Seek Nomination for Director Position" form and submit it to the system office no later than February 10, 2023.



44TH ANNUAL MEETING

Tuesday, March 21, 2023



National Guard Armory Vermillion, SD

Meal Served
5:30 – 6:30 p.m.

Business Meeting
to follow

BOARD OF DIRECTORS PROPOSED AMENDMENT TO ARTICLES OF INCORPORATION AND SUMMARY OF CHANGES

Notice is hereby given to all of the Members of Clay Rural Water System, Inc. that at the next Annual Meeting scheduled for the 21st day of March, 2023, at the National Guard Armory in Vermillion, South Dakota. The Board of Directors will present to the Members a proposal to amend the By-Laws of the Clay Rural Water System, Inc. in connection with Article VIII, Subsection 3, with respect to the deadline for a Member to submit to the CRWS office a Statement of Intent to Seek Election to the Board of Directors. The current By-Laws require that the Member submit the Notice of Intention to Seek Election to the Board of Directors at least 20 days prior to the date of the District Election regarding membership on the Board. In order to provide time for office staff to organize and conduct the elections, the Board of

Directors has passed a Resolution amending the By-Laws to change the deadline to 45 days prior to the District Election subject to the requirement that a majority of Members at the next annual meeting approves the amendment. A ballot will be handed out at the next Annual Meeting in connection with this election. The additional period of time will permit office staff and the Board of Directors to consider alternative means of voting such as a mail-in ballot. Given the short period of 20 days it is impossible to implement alternative means of voting as permitted by the current By-Laws. Pursuant to the By-Laws only if there is a contest in one of the positions in one of the districts is there an actual election conducted. This change will permit more time for office staff to comply with the existing By-Laws.

– Randy Huot, Board President



BOARD OF DIRECTORS

PROPOSED AMENDMENT TO ARTICLES OF INCORPORATION AND SUMMARY OF CHANGES

Pursuant to SDCL 47-22-16, the Board of Directors hereby provides written notice setting forth a proposed Amendment to the Articles of Incorporation of Clay Rural Water System, Inc. and a summary of the changes to be affected thereby.

PROPOSED AMENDMENT OF ARTICLES OF INCORPORATION

The Board of Directors has passed a Resolution to amend the Articles of Incorporation of Clay Rural Water System, Inc. with respect to Article X, Sections 2, 3, and 4 so as to delete said sections and to replace the same with the following:

SECTION 2. Each member, upon payment of the membership fee, shall be entitled to have one service connection installed at a point which may conveniently be tapped for the supply of water to the premises occupied by him or her, and upon payment of recurring water charges and also assessments, shall be entitled to a supply of water as available from the system of the corporation. Any person desiring more than one service connection shall be required to apply for and pay a separate hookup fee for each service connection authorized by the corporation.

SECTION 3. There shall be an annual meeting of the members of the corporation to be held at such time and places as may be provided in the Bylaws. Each member shall be entitled to only one vote irrespective of the number of service connections held in their name.

SECTION 4. Membership in this association shall not be transferrable. This provision shall be recited in all certificates of membership issued, if any.

SUMMARY OF THE CHANGES EFFECTED THEREBY

The purpose of the proposed Amendment to the Articles of Incorporation is to resolve a conflict between the Articles of Incorporation and the Bylaws of Clay Rural Water System, Inc. with respect to the definition of a membership fee, number of memberships to be held by an individual, and assignment of a membership. The original Articles of Incorporation include the language in Article X, Section 2 that states that any person who wanted more than one service connection would have to make application for and pay a separate “membership fee” for each service connection. The corporation could not collect the hookup fee unless it sold a membership. Therefore, the original Articles of Incorporation were phrased in such a way that

if a member had two service connections, they had to have two memberships so that the corporation could collect the hookup fee on each tap. Confounding “membership fee” with “hookup fee” then lead to the question of whether an individual member would have an extra vote at any meeting of the corporation for the extra membership fee. Section 3 of Article X makes it clear that each member shall be entitled to only one vote irrespective of the number of “memberships held.”

Finally, in Section 4 of Article X, the Articles permitted assignment of a membership fee with approval of the Board of Directors. However, the Bylaws of the corporation provide that no member could have more than one vote or could hold more than one membership interest in the corporation as set out in Article VI, Section I Subsection g of the Bylaws. Article VI, Section 2 Subsection c of the Bylaws further states that no membership in the corporation shall be transferrable.

To resolve the conflict between the Articles and the Bylaws regarding assignment of the membership interest and whether a customer must buy a separate membership to have a new and second or third hookup for service, the Board of Directors have resolved to amend the original Articles of Incorporation with respect to Sections 2, 3, and 4 of Article X to clarify that no member shall be entitled to more than one vote at meetings of the members or to hold more than one membership in the corporation irrespective of the number of service hookups and that the membership interest shall not be transferred. The effect of the proposed Resolution is to provide a mechanism in the Articles to collect a hookup fee for each new service point, to permit the system to be in complete control over who the members would be since no membership could be transferred to another party and to confirm that a member would only have one vote irrespective of the number of service hookups.

This Amendment to the Articles of Incorporation will be voted on at the next Annual Meeting scheduled for March 21, 2023 at 5:30 p.m., at the National Guard Armory in Vermillion, South Dakota.

Adopted at Wakonda, South Dakota, this 20th day of October, 2022.

– Randy Huot, Board President

Clay Rural Water System, Inc.
30376 SD HWY 19
Wakonda SD 57073-6416
605-267-2088 | clayruralwater.com

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WATER MATTERS

Lakes in South Dakota



According to Webster's Dictionary, a lake is "a considerable inland body of standing water." Our neighbor to the east (Minnesota) is commonly referred to as the "Land of 10,000 Lakes," but the real count is closer to 15,000. By contrast, lakes are a relatively rare commodity in South Dakota, and even the smallest bodies of water can be treasured recreational resources.

South Dakota lakes fall into two basic categories. In the eastern part of the state, lakes exist where there are natural depressions in the land surface. In most cases, these depressions formed when one or more large chunks of the last glaciers that covered the area were left behind. When they finally melted, the resulting "hole" in the landscape filled with water and a lake was formed. Pickerel Lake in Day County, Lake Herman near Madison, Wall Lake near Sioux Falls, along with all of the Round and Mud Lakes (most eastern counties have at least one of these!) formed in this manner.

In western South Dakota, natural depressions are quite rare, and most lakes owe their existence to human efforts.

In order to create bodies of standing water, barriers have been built across the valleys of streams and river to hold back water that would otherwise flow away. These can range in scale from small stock dams holding back a few acres of water for livestock, all the way up to the Lake Oahe on the Missouri River, which covers over 370,000 acres and backs up water as far as Bismarck, North Dakota. Sheridan and Deerfield Lakes in the Black Hills, along with Lake Sharp and Lake Francis Case on the Missouri River were formed in a similar manner.

In a state where water is often a scarce resource, lakes provide opportunities of residents and tourists alike to enjoy a peaceful day or two away from the hustle and bustle of daily life. What's your favorite South Dakota lake? How was it formed?

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