

**SUMMARY
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
May 24, 2022**

The regular meeting of the Clay Rural Water System, Inc. Board of Directors was called to order at 6:57 p.m. by President Randy Huot at the System Office. Director's present were Dave Reiff, Nick McKee, Pat Manning, Randy Huot, Mark Bottolfson, Cody Merrigan, and Ken Kessler. Absent excused: Tim Irwin and Randy Ronning. Also present were Manager Steve Muilenburg, Office Manager Donna Henriksen, Nick Gillen & Chancey Shrake of Brosz Engineering, Lacy Mockler, and Isaiah Richards and his parents.

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

DIRECTOR CONFLICT WITH AGENDA ITEMS: None.

MINUTES: The minutes of the special meeting on April 19, 2022 and regular meeting on April 21, 2022 were presented for review. Minutes were approved by unanimous consent. The Board Summary for April 21, 2022 was reviewed. Board Summary was approved by unanimous consent.

VISITORS TO BE HEARD: None.

A motion was made and second to suspend the rules and move to Item 13A. Recognize Scholarship Recipients followed by Item 12B. Brosz Engineering Update. Motion carried.

SCHOLARSHIP RECIPIENTS: Two scholarship recipients, Lacey Mockler and Isaiah Richards were present to be recognized by the Board. Pat Manning, scholarship committee chair, presented them with their certificates.

BROSZ ENGINEERING UPDATE: Nick Gillen and Chancey Shrake were present to update the Board on the project. They discussed the financing received and the next steps that will be taken to get the project moving forward. They will be traveling with Steve, Rob, and Andy to Kansas on May 25-26 to tour two different water treatment plants, engineered by Bartlett and West.

FINANCIAL STATEMENTS: The April Financial Summary was reviewed by Manager Muilenburg. Also reviewed was the Cost of Production, Debt Service, Comparative Info and Allocation of Costs. Four Financial Transfers were presented; a motion was made and second to approve. Motion carried. Items on the Financial checklist were reviewed.

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

MANAGER'S REPORT: Manager Muilenburg presented the May Manager's Report. Steve presented information on the Wynstone Tower painting, storm damage, tower inspection by Maguire Iron, and distribution work being performed by employees. The monthly water reports and leak reports were reviewed.

LEGAL REPORT: Mike McGill has been working on paperwork for loan parity.

SDARWS UPDATE: Mark Bottolfson will be attending the SDARWS Board meeting in Deadwood on June 2-3.

2020 PROJECT UPDATE: Manager Muilenburg touched on the 2020 Project in his Manager's Report.

APPROVE 2021 AUDIT: A motion was made and second to approve the 2021 Audit performed by Quam, Berglin, & Post. Motion carried.

CLAY & UNION CO FAIR REQUESTS: Requests for sponsorships were received from both Clay and Union Co. Fair Boards for their upcoming Fairs. A motion was made, second and carried to donate \$150 to each entity.

COBANK BYLAWS AMENDMENTS: CoBank is proposing a Capitalization Bylaws Amendment and Governance Bylaws Amendment changes. A motion was made and second to authorize the President to vote against these changes and sign the Proxy Ballot and Form. Motion carried.

ADOPT PROJECT RESOLUTIONS: Resolutions 2022-02, 2022-03, and 2022-04 were presented for approval. A motion was made and second to approve the Resolutions and authorize President Randy H., Secretary Pat M., and Manager Steve M. to sign said resolutions. Motion carried.

ADOPT INTER-CREDITOR AGREEMENT FOR LOAN PARITY (CHAPTER PROJECT): A motion was made and second to approve the Parity Agreements and to authorize President Randy H., Secretary Pat M., and Manager Steve M., to sign agreements. Motion carried.

APPROVAL OF CONFIDENTIALITY AGREEMENTS FOR BOARD & EMPLOYEES: Two versions of a Confidentiality Agreement were presented for Directors and Employees. After discussion, a motion was made and second to approve the longer version with Miscellaneous items. Motion carried.

ROUTINE OFFICE BUSINESS: All Routine Office Business was approved by unanimous consent, including: no Drop Services, 11 New Services, and No Bad Debts.

OTHER ITEMS FOR DISCUSSION: Dates were considered for a Board Tour. June 15th was chosen; Donna will make arrangements for a Van to use.

CALENDAR OF EVENTS: The following information was reviewed:

- May 30 – Office closed for Memorial Day Holiday
- June 28 – next regular Board meeting, 7 p.m., System Office

SUPPLEMENTAL INFORMATION: Thank you's were received from several customers for annual meeting meal & door prizes.

ADJOURNMENT: Motion was made, second and carried to adjourn at 9:23 p.m.