

**SUMMARY  
CLAY RURAL WATER SYSTEM, INC.  
BOARD OF DIRECTORS – REGULAR  
JANUARY 24, 2023**

**The regular meeting** of the Clay Rural Water System, Inc. Board of Directors was called to order at 6:58 p.m. by President Randy Huot at the System Office. Director's present: Pat Manning, Tim Irwin, Randy Ronning, Randy Huot, Ken Kessler, and Cody Merrigan (7:07 p.m.). Absent excused: Mark Bottolfson & Dave Reiff. Also present were Manager Steve Muilenburg, Office Manager Donna Henriksen, Controller Pam Lunning, Jerry Buum, and Engineers Chancey Shrake and Deryn Beck of Brosz Engineering.

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

**DIRECTOR CONFLICT WITH AGENDA ITEMS:** None.

**MINUTES:** The minutes of the Budget & Regular Board meetings held December 19, 2022 were presented for approval. A motion was made, second & carried to approve. The Board Summary for the regular Board meeting on 12-19-22 was presented for approval. A motion was made, second and carried to approve.

**VISITORS TO BE HEARD:** None.

A motion was made, second and carried to suspend the Rules and move to Item 13A.

**ACCEPT RESIGNATION:** It appearing to the chair of the board of directors that Nick Mc Kee has resigned as a board member for District 2 at the conclusion of the November 2022 board meeting and that Randy Ronning moved and Pat Manning seconded that the board of directors accept his resignation. All present board members voted in the affirmative to accept Nick McKee's resignation effective at the conclusion of the November 2022 meeting.

**APPOINT NEW DIRECTOR:** It further appearing that pursuant to Article VIII, Section 7 of the bylaws of Clay Rural Water System, Inc., if the position of Director should become vacant for any cause, the board of directors may choose a successor from the members of the District where the vacancy exists, who shall serve to the next regularly scheduled District election and that the member so elected shall serve for the remainder of the un-expired term as provided in the By-laws. Tim Irwin moved and Pat Manning seconded that Jerry Buum be appointed to serve as director for District 2 until the next District 2 election set for March 3, 2023 and that he be seated at the January, 2023 meeting and that should he wish to continue as a board member after the conclusion of the February 2023 board meeting that he shall be required to submit a "Notice of Intent to Seek Nomination for Director Position" as required by the By-laws of the corporation and with the condition that if elected he shall serve as a director until conclusion of the February, 2025 meeting. All board members present voted in affirmative on the motion to appoint Jerry Buum under the terms of the motion.

A motion was made, second and carried to suspend the Rules and move to Item 12A.

**PROJECTS PHASE I & II:** Chancey Shrake & Deryn Beck of Brosz Engineering presented the Progress Report for the CRWS Improvement Projects. Phase I of the Project has been bid and the contract documents are ready for signature.

- A motion was made, second and carried to authorize the President, Randy Huot to sign the Contracts with Ferguson Waterworks, 3-D Digging and Trucking, LLC, and Winter

Contracting LLC. A motion was made and second to amend the motion to state that Manager, Steve Muilenburg is authorized to sign, as his name was printed on the documents. Motion carried.

- A motion was made and second to approve Task Order #2022-02 for Brosz Engineering in the amount of \$642,000.00. Motion carried.
- A motion was made and second to approve final payment of \$136,746 on Task Order #2021-03. Motion carried.
- A motion was made and second to approve Drawdown #2 in the amount of \$141,196.13. Motion carried.

**FINANCIAL STATEMENTS:** The December Financial Summary was reviewed by Pam Lunning and Manager Muilenburg. Also reviewed was the Cost of Production, Debt Service, Comparative Info, Income Statement, and Allocation of Costs. Five Financial Transfers were presented; a motion was made and second to approve. Motion carried. Items on the Financial checklist are completed for 2022 and started for 2023. Pam Lunning presented the CD rates at various banks and presented some recommendations. A motion was made, second and carried to approve these recommendations.

**CHECK REGISTER:** Donna Henriksen reviewed the January Check Register and February Bills requiring pre-approval. A motion was made, second and carried to approve payment of bills.

**MANAGER'S REPORT:** Manager Muilenburg presented the January Manager's Report. The new server for the office is ordered and will be installed as soon as received, the equipment has been removed from the Spink Tower, the operators have been doing a lot of flushing and have had several leaks to repair; Wynstone WTP will have pressure filter media replaced in Feb; a 2023 Ram 3500 pickup has been ordered and we have received quotes on trailers; reported one Safety incident and number statistics for December. A motion was made and second to allow employee discretion to purchase the trailer. Motion carried.

**LEGAL REPORT:** Attorney, Mike McGill is still working on Project easements.

**SDARWS UPDATE:** Steve Muilenburg gave an update on the ATC; he also reported that paperwork has been completed for PFAS.

**SIOUX EMPIRE WATER FESTIVAL DONATION:** A motion was made and second to donate \$250 this year to the Festival. Motion carried.

**AUDIT UPDATE:** The Audit will begin on January 31<sup>st</sup>, with an ELO representative coming to gather data.

**ROUTINE OFFICE BUSINESS:** Two Drop Services, 16 New Members, and No Bad Debts were approved by unanimous consent.

**OTHER ITEMS FOR DISCUSSION:** None.

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

- Jan. 25 & 26 – Manager's Meeting in Pierre
- Jan. 27 - Clay RW Christmas party at Great Shots – 3:30 – 5:30 p.m.
- Jan. 31 – ELO Audit Planning Meeting
- Feb. 20 – Office closed for President's Day Holiday
- Feb. 21 – Next regular Board meeting, 7:00 p.m., System Office

**SUPPLEMENTAL INFORMATION:** Information was presented on:

- CoBank 2023 Director Election
- Omnibus Budget Cuts

**ADJOURNMENT:** A motion was made, second and carried to adjourn the meeting at 9:55 p.m.