

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

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. Directors present were: Nick McKee, Pat Manning, Tim Irwin, Randy Ronning, Randy Huot, Mark Bottolfson, Cody Merrigan, and Ken Kessler. Absent: Dave Reiff. Also present were: Manager Steve Muilenburg and Pam Lunning, accounting.

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

DIRECTOR CONFLICT WITH AGENDA ITEMS: None.

MINUTES: The minutes of the Board meeting of January 25, 2022 were presented for review. A motion was made, seconded, and carried to approve. The Board Summary for January 25, 2022 was reviewed. A motion was made, seconded and carried to accept said Summary.

VISITORS TO BE HEARD: None.

FINANCIAL STATEMENTS: The January Financial Summary was reviewed by Manager Muilenburg. New reports from QuickBooks were presented by the Manager and Pam Lunning, accounting. The following reports were reviewed: Balance Sheet, Profit & Loss Budget vs. Actual as of January 31, 2022. Also reviewed was the Cost of Production, Debt Service, Comparative Info and Allocation of Costs. Three routine transfers were approved by unanimous consent. Items on the Financial checklist were reviewed.

CHECK REGISTER: Pam Lunning reviewed the February Check Register and March Bills requiring approval as of 2-22-22. A motion was made, seconded and carried to approve payment of bills.

MANAGER'S REPORT: Manager Muilenburg presented the February Manager's Report. Discussion was held on the recent audit conducted by Quam & Berglin. An update was given on the irrigation, filling the ponds and contract for service in Wynstone. A map was provided on the development of lots in Gayville and the need for water and what CRWS is providing to the city of Gayville at this time. Cyber security was reviewed. Operation Activities were reviewed and the treatment plant clarifiers for Wakonda and Wynstone have been cleaned. A quote for the painting of the tower was reviewed and the cost will be over budget due to an increase in the cost of the paint. The updated CRWS logo was presented. The billing for hookup with Union County Electric Coop was discussed and Steve will be in contact with them. The monthly water reports and leak reports were reviewed.

LEGAL REPORT: Manager Muilenburg stated there were no legal items to report.

SDARWS UPDATE: Mark Bottolfson commented on the current legislative session and items the lobbyist has been working that may affect rural water systems.

2020 PROJECT UPDATE: Manager Muilenburg gave an update on the 2020 project. It was reported that the project is 95% complete and should be wrapping everything up in March. He did not recommend moving forward with Phase II and Phase III and further commented that some of phase II was included in Phase I of the project.

BROZ ENGINEERING UPDATES: Manager Muilenburg commented that the financing package was scheduled to be reviewed March 22nd and has now been moved to April for review. The manager also provided an update on the cost of pipe and commented about the purchase of supplies for a project in accordance with the South Dakota Bid law.

SIGNATURE CARD FOR NEW CHECKING ACCOUNT: A new checking account will be opened with Premier Bank in Alcester, South Dakota. A motion was made, seconded and carried to approve opening the account and authorizing the officers to sign the signature card.

CLAY COUNTY YOUTH TRUST FUND DONATION: A request was received from the Clay County Youth Trust Fund for a donation. A motion was made to approve a donation to the trust fund. The motion failed for lack of a second.

CUSTOMER REQUEST – CHANGE IN CLASSIFICATION OF SERVICE: A request was received from a customer to have her regular monthly billing rate changed to a seasonal rate. After discussion about the rates a motion was made and seconded to deny the request. Motion carried.

DISTRICT ELECTION PROCEDURES: The District Election Procedures were reviewed. The election for District III will be held on Friday, March 4, 2022 at 1:30 pm at the Spink Café. A motion was made and second to approve the election board. Motion carried.

SCHOLARSHIP COMMITTEE: Chairman Randy Huot appointed Pat Manning, Cody Merrigan and Ken Kessler to the scholarship committee. A motion was made, second and carried to accept the committee.

ADOPT RESOLUTION #2022-02: Resolution #2022-02 was presented and reviewed by the Board of Directors authorizing Corporate Officials – the President, Secretary and/or System Manager Muilenburg to execute and deliver for and on behalf of CRWS documentation necessary to implement and carry out the financing of \$16,571,000.00 for a Drinking Water State Revolving Fund Loan to finance the improvements to the system. A motion was made and second authorizing one of the three individuals to sign the necessary documents. The motion carried.

INSURANCE RENWAL; MONTHLY SET-ASIDE: Manager Muilenburg gave an overview of the quote received from Justin Overman of Marsh McLennan Agency for the property, liability and work comp insurance costs for 2022. A motion was made and second to approve the quotes received from Marsh McLennan Agency for the 2022 insurance renewal. The motion carried.

OPEN ENROLLMENT FOR INSUANCE: Manager Muilenburg provided an update on the insurance available for directors. No action was required.

HOUSE FIRE – MINIMUMS: CRWS received a request from a customer to forego the monthly rural water minimum fees for one year due to a fire that caused a total loss of his dwelling. A motion was made and second to forego the monthly minimum water fee for one year beginning February 2022. The motion carried.

HOOKUP FEES AND BILLABLES: Manager Muilenburg discussed the current costs of hookup fees and billables. An itemization of the cost of goods for a hookup was provided and there was discussion on the rising costs of supplies. No action was taken at this time and it will be reviewed next month.

EMPLOYEE HANDBOOK – JOB DESCRIPTOINS: Updated job descriptions were provided for review. Chairman Huot tabled this item. It will be discussed at the 3-22-22 meeting.

EXECUTIVE SESSION. None.

ROUTINE OFFICE BUSINESS: All Routine Office Business was approved by unanimous consent, including: no Drop Services; 7 New Services; and no Bad Debts.

OTHER ITEMS FOR DISCUSSION: None

CALENDAR OF EVENTS: The following information was reviewed:

- March 1 – Scholarship Applications Due
- March 4 – District Elections
- March 22 – Next regular Board meeting @ 7:00 p.m., CRWS Office

SUPPLEMENTAL INFORMATION: Thank you from Gayville Sesquicentennial Committee.

ADJOURNMENT: Motion was made, seconded and carried to adjourn at 10:24 pm.