

**SUMMARY**  
**CLAY RURAL WATER SYSTEM, INC.**  
**BOARD OF DIRECTORS – REGULAR**  
**September 27, 2022**

**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. Director's present were Dave Reiff, Nick McKee, Pat Manning, Randy Huot, Mark Bottolfson, Cody Merrigan, and Ken Kessler. Absent excused were: Tim Irwin & Randy Ronning. Also present were Manager Steve Muilenburg, Office Manager Donna Henriksen, Nick Gillen & Chancey Shrake of Brosz Engineering, and Rick Peterson for Public Hearing.

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

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

**MINUTES:** The minutes of the meeting on August 23, 2022 and the Board Summary for August 23, 2022 were reviewed. A change was made on both under SDARWS; the Water Pro Conference is Sept. 26 – 29<sup>th</sup>, not in August as stated in minutes. A motion was made, second, and carried to approve revised minutes and summary. The minutes of the Policy Committee Meeting held on August 23, 2022 were reviewed. Minutes were accepted by unanimous consent.

**VISITORS TO BE HEARD:** Rick Peterson was present for the Public Hearing.

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

**PUBLIC HEARING:** A Public Hearing was held regarding Phase II of the Next Chapter Project. Chancey Shrake of Brosz Engineering updated the Board and guests on the funding process and what the monies will be used for. A motion was made and seconded to adopt Resolution #2022-05. The Resolution states that the System hereby approves the submission of an Application for financial assistance in an amount not to exceed \$22,000,000 to the SD Board of Water and Natural Resources for the Project. Motion carried.

**FINANCIAL STATEMENTS:** The August Financial Summary was reviewed by Manager Muilenburg. Also reviewed was the Cost of Production, Debt Service, Comparative Info, Income Statement, 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. Discussion was held on renewal of a CD for Long-Term Debt.

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

**MANAGER'S REPORT:** Manager Muilenburg presented the September Manager's Report. Irrigation lines at Wynstone will be chlorinated this year; still working with the HOA on the front ponds, Rob & Andy toured the Clark Rural Water Treatment Plant. Nexlink is working on removing equipment from the Spink Tower; we are awaiting installation of new lights on the Wynstone Tank. Misc. distribution work was reviewed. The monthly water reports and leak reports were reviewed.

**LEGAL REPORT:** None.

**SDARWS UPDATE:** Mark reported the Water Pro Conference is Sept. 26 – 29<sup>th</sup>. Leadership Conference is Nov. 9 & 10 in Pierre. The next SDARWS Board meeting will be in December in Sioux Falls.

**2020 PROJECT UPDATE:** Manager Muilenburg reported there are two final payments to finish out the Project; Change Order #3 in the amount of \$9,259.21 to Dakota Pump for taxes on the bill and Pay Request #4/Final in the amount of \$22,683 to Dakota Pump for retainage. A motion was made, second, and carried to approve payments.

**BROSZ ENGINEERING (Phase 1):** Chancey Shrake of Brosz Engineering gave an update on Phase I of the Project. We should be closing on the loan around October 15<sup>th</sup> and could then start advertisement for bids. Would hope to open bids in November.

**APPROVE POLICY CHANGES:** Donna Henriksen presented the revised changes to Policies No. 208, 303, & 307. A motion was made, second, and carried to approve said changes.

**COBANK AMENDMENT TO PROMISSORY NOTE:** Steve Muilenburg presented information received from CoBank on their Promissory Notes; they will no longer be offering a variable interest rate; this will not affect our current rate. A motion was made and second to authorize the President to sign the change to the Promissory note with CoBank. Motion carried.

**MIKE MCGILL'S REVIEW OF ARTICLES & BYLAWS:** After review, a motion was made and second to table this item until the October board meeting. The Board would like more information on how to proceed with this. Motion carried.

**RATE COMMITTEE REPORT:** Nick McKee, chairman of the Rate Committee, reviewed the proposed rate increases. A motion was made, second and carried to approve the Committee recommendations and to put into effect on 1/1/2023.

**BROSZ MAPPING – GIS UPDATES:** Chancey Shrake of Brosz Engineering presented cost estimates to upgrade System maps with the GIS information done so far. The Board asked if Brosz could give them an estimate to do the entire System, so they have a number for budgeting.

**ROUTINE OFFICE BUSINESS:** Routine Office Business was approved by unanimous consent; One Drop Service: 15 New Members; and no Bad Debts.

**OTHER ITEMS FOR DISCUSSION:** None.

**CALENDAR OF EVENTS:** The following information was reviewed:

- Oct. 11 & 12 – Office Training in Sioux Falls
- October 20 – next regular Board meeting, 7:00 p.m., System Office
- Oct. 26 & 27 – Manager's Meeting in Deadwood

**SUPPLEMENTAL INFORMATION:** Several thank you's were received from Sioux Empire Water Festival, Clay County Fair, and Field to Table.

**ADJOURNMENT:** A motion was made, second and carried to adjourn at 9:20 p.m.