

MINUTES
CLAY RURAL WATER SYSTEM, INC.
BOARD OF DIRECTORS – REGULAR
May 28, 2024

1. **CALL TO ORDER:** 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.
2. **ROLL CALL:** Directors present: Jerry Boom, Pat Manning, Tim Irwin (arrived at 7:10), Ken Kessler, Randy Ronning, Randy Huot, Mark Bottolfson, Cody Merrigan, and Josh Wendling. Also present: Manager Steve Muilenburg, Office Manager, Donna Henriksen, Controller, Pam Lunning, and Chancey Shrake & Deryn Beck of Brosz Engineering.
3. **ADOPT AGENDA:** A motion was made, second, and carried to adopt the agenda.
4. **DIRECTOR CONFLICT WITH AGENDA ITEMS:** None.
5. **MINUTES:** Minutes of April 22 2024, regular Board minutes were presented for approval. A motion was made, seconded, and carried to approve. The Board Summary for April 22, 2024, was presented for approval. A motion was made, seconded, and carried to approve.
6. **VISITORS TO BE HEARD:** None.

A motion was made, second and carried to suspend the Rules and move to Item 14A., to approve the 2023 Audit & 990 to include the presentation by Kelsey Haugen of Kinner & Co.

- 14A. **APPROVE 2023 AUDIT & 990:** Kelsey Haugen of Kinner & Co. presented the 2023 Audit via Zoom. Some comments were that Manager Muilenburg should review and date invoices as they are received. The maximum vacation hours an employee can use also needs to be updated. A motion was made and seconded to approve the audit as presented. Motion carried. Kelsey then presented information on the 990. A motion was made and seconded for Randy Huot to sign. An amended motion was made and seconded for Manager Muilenburg to sign, as his name appears on the document. Motion carried.

A motion was made, second and carried to suspend the Rules and move to Item 13A. Projects Phase I & II Update.

- 13A. **PROJECTS PHASE I & II UPDATE:** Chancey Shrake of Brosz Engineering updated the Board. Winter Contracting has replaced services on the Westerville line and are working on the east side now. The contractors broke the 14" main today and made repairs. They are making progress to rebid the tanks in the next few weeks. A meeting is scheduled for June 19 on the WTP preliminary design. A tile hit last June 8, was never repaired by Winter Contracting and has caused problems for the farmer who farms the land. There is a check to sign tonight for one permit application/inspection for a road bore.
7. **FINANCIAL STATEMENTS:**
 - A. The April Financial Summary and allocations were reviewed by Manager Muilenburg
 - B. May Transfers: A motion was made, second and carried, to approve the five regular and one Chapter financial transfers.

1. Approval #2024-24 from Premier Checking to FD Checking for SRF – SU loan payment set aside, the amount of \$18,879.00.
 2. Approval #2024-25 from Premier Checking to FD Checking for SRF – 2020 Project loan payment set aside, the amount of \$8,000.00.
 3. Approval #2024-26 from Premier Checking to FD Checking for Insurance set aside, the amount of \$4,000.00.
 4. Approval #2024-27 from Premier Checking to FD Checking for Phase I Project set aside, the amount of \$8,000.00.
 5. Approval #2024-28 from Premier Checking to Depreciation Reserve set aside at Premier Bank, the amount of \$12,000.00.
 6. Approval #CH2024-03 from Premier Checking to First Premier Checking for 5% Grant, the amount of \$24,662.13.
- C. The Board completed Items on the Board Checklist.
8. **CHECK REGISTER:** Donna Henriksen reviewed the May Check Register and June Bills requiring pre-approval. A motion was made, second and carried, to approve payment of bills.
 9. **MANAGER'S REPORT:** Manager Muilenburg gave his report. There is still one user in Wynstone using potable water for lawn irrigation; this will need to be dug up and corrected. The Manager has been keeping Elk Point updated on our Phase II Project; there are 206 customers left to verify piping for the lead/copper requirement; we are looking at alternative routes for the connection near the Dog Kennel and school and will start on easements soon. Jennifer Badke has been working on GIS mapping. The Wakonda Plant had a lightening strike around 12:45 a.m. on May 24th. The problems with the new air compressor are covered by warranty work. The April water sales report was reviewed; water loss is down.
 10. **LEGAL REPORT:** Mike McGill prepared a letter for an issue with an easement.
 11. **SDARWS UPDATE:** Mark Bottolfson will have his next meeting June 20th in Deadwood. The SDARWS Golf Tournament is July 23rd.
 12. **DAKOTA MAIN STEM PROJECT:** Manager Muilenburg is part of the Selection Committee and they have chosen HDR as the Engineer for the Project.
 13. **OLD BUSINESS:**
 - B. **Approve Resolution:** A motion was made and seconded to approve Resolution #2024-02 which authorizes the Board of Directors to accept the SD Drinking Water State Revolving Fund Loan, loan agreement, and promissory note not to exceed \$21,843,000 for Phase II of the New Chapter Project. Motion carried.
 14. **NEW BUSINESS:**
 - B. **Approve New Bookkeeper Premier Bank Access:** A motion was made and seconded to add Zach Moydell to Premier Bank online access and remove Leanne Brown. Motion carried.
 - C. **Approve Clay County CUP Application:** A motion was made, seconded and carried to approve signature on the CUP Application.
 - D. **Executive Session:** A motion was made and second to go into Executive Session at 8:33 p.m. Motion carried. Declared out of Executive Session at 8:46 p.m. A motion was made and seconded to approve the Manager's Contract. Motion carried.

15. **ROUTINE OFFICE BUSINESS:** Routine Office Business was approved by Unanimous Consent that included: Drop Services: Robert & Sandra Hall 92-49-21-01, Mrs. Wilbur Tiaht Estate 93-52-19-01; New Members: Missouri Valley Partners 91-50-19-01, Matthew Simpson* 92-50-15-02, Karen Bowden* 93-49-12-02, Taylor Kathol 92-52-12-04, AMS Building Systems* 92-52-16-02, Blake & Jacquelin Anderson 90-48-30-10, Sara Mart 92-52-17-17, Bruce Klemme 93-50-13-02, Gary & Patricia Dahlerup 92-51-15-22, Gary Andersen** 95-52-01-03, Dennis Derochie* 90-48-30-11, Sara & Jeff Bickett 95-51-14-03, Chris Schmidt 92-52-17-08, Pam Limoges 9-50-09-02; and one Bad Debt: Kayla Gitchell, \$117.80.
16. **OTHER ITEMS FOR DISCUSSION:** The Board would like to hold either the June or July meeting at Wynstone.
17. **CALENDAR OF EVENTS:** Manager Muilenburg reviewed the following:
- June 5 – Leanne Browne Retiring
 - June 20 – SDARWS Board Meeting, Deadwood
 - June 25 – next regular Board meeting, 7:00 p.m., System Office
 - July 4 – Office closed for Holiday
 - July 23 – Rural Water Golf Open
18. **SUPPLEMENTAL INFORMATION:** None.
19. **ADJOURNMENT:** A motion was made, second, and carried to adjourn at 8:54 p.m.

ATTEST: Patricia Manning, Secretary
RECORDED BY: Donna Henriksen, Office Manager