

**SUMMARY**  
**CLAY RURAL WATER SYSTEM, INC.**  
**BOARD OF DIRECTORS – REGULAR**  
**July 25, 2023**

**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. Directors present: David Reiff, Jerry Buum, Tim Irwin, Pat Manning, Randy Ronning, Randy Huot, Ken Kessler, and Cody Merrigan. Also present: Manager Steve Muilenburg, Pam Lunning, Controller. Absent: Director Mark Bottolfson and Office Manager Donna Henriksen

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

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

**MINUTES:** Minutes and Board Summary of the June 27, 2023 board meeting were presented for approval. A motion was made, second and carried to approve both.

**VISITORS TO BE HEARD:** None.

**FINANCIAL STATEMENTS:** The June Financial Summary and allocations were reviewed by Manager Muilenburg. A motion was made, second and carried to approve the five financial transfers. The Board completed Items on the Board Checklist.

**CHECK REGISTER:** Steve Muilenburg reviewed the July Check Register and August Bills requiring pre-approval. A motion was made, second and carried to approve payment of bills.

**MANAGER'S REPORT:** Manager Muilenburg discussed the July Manager's Report. Mgr. Muilenburg and Dave Reiff attended the Wynstone HOA meeting 7-12-23. There was discussion on the ponds and the costs relating to filling the ponds. An update was given on the PFAS/Lead & Copper Inventory List and a state website has been established. There is some water loss in the South Union area and this will be addressed. Chemical costs remain high. There was also discussion on water restrictions during peak times.

**LEGAL REPORT:** Manager Muilenburg commented that Attorney Mike McGill has reviewed the First Amendment to and Renewal of Water Supply Agreement between the City of Sheldon and Clay Rural Water System.

**SDARWS UPDATE:** Mark Bottolfson was absent. Manager Muilenburg commented that there was a record turnout for the golf tournament.

**UNFINISHED BUSINESS:**

**Projects Phase I & II.** Manager Muilenburg gave an update on the projects. Mgr. Muilenburg commented that Draw #5 had to be resubmitted with additional information since the work was self-performed. The information has been submitted to DANR. A Pay Request in the amount of \$620,923.75 was presented and a motion was made, second and carried to approve the request. A motion was made, second and carried to approve the SECOG Draw #8 amount of \$620,922.91 to submit to DANR.

**Audit Status:** Manager Muilenburg gave an update on the status of the 2022 audit. The audit will be reviewed and discussed at the August meeting. The auditors will be present via a zoom call.

**NEW BUSINESS:**

**Irene Tower Contract:** The Irene Tower Contract was discussed and a motion was made, second and carried to table this item until the August meeting.

**Open Sealed Bids for Truck & Trailer:** The sealed bids for the sale of the semi-truck and trailer were opened. A motion was made, second and carried to approve the high bid for the trailer in the amount of \$15,150.00 to Mart Brothers of Vermillion and the high bid for the truck in the amount of \$23,001.00 to Matt Loewe of Lennox.

**Sheldon Contract:** Manager Muilenberg discussed the First Amendment to and Renewal of the Water Supply Agreement between the City of Sheldon and Clay Rural Water System. A motion was made, second and carried to authorize President Randy Huot to sign the Sheldon Contract.

**Valley Ag – Lime Contract:** Valley Ag Lime Contract was discussed. CRWS would pay \$2,500/lagoon to remove the lime. A motion was made, second and carried to authorize Manager Muilenberg to sign the 3-year contract with Valley Ag.

**C&B Operations Contract & Pricing:** Manager Muilenberg discussed the current contract of \$1,200 per year. A new motion to have Manager Muilenberg negotiate the terms of the contract for no less than \$2,400 per year was made, second and carried.

**Executive Session:** At 9:16 pm a motion was made, second and carried to enter into Executive Session. At 10:29 pm a motion was made, second and carried to cease Executive Session. A motion was made and seconded to approve the manager salary for Manager Muilenberg. Motion carried.

**ROUTINE OFFICE BUSINESS:** The Board approved all routine office business by unanimous consent including one Drop Service, 15 New Members, and one Bad Debt.

**OTHER ITEMS FOR DISCUSSION:** Director Tim Irwin commented on the round-up program and provided information to the directors.

**CALENDAR OF EVENTS:** The following information was reviewed: August 22<sup>nd</sup> – Policy Committee at 6:00 p.m.; auditor zoom call @ 7:00 p.m.; regular Board Meeting at 7:30 p.m. - System Office; September 25-27 – Water Pro Conference; November 8-9 – Leadership Conference, Pierre; January 9-11, 2024 – ATC, Pierre

**SUPPLEMENTAL INFORMATION:** Article from the *Beresford Republic* on Mike McGill being honored.

**ADJOURNMENT:** The meeting was adjourned by unanimous consent at 10:50 p.m.