

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, December 14, 2006

PRESENT: Rude, Buerkle, Dance, Verdi
ABSENT: Child
GUESTS: Clarkson, Muniz, Edwards, Betsy Morris

The meeting was called to order at 7:10 P.M. by Board President, Steve Rude. With corrections on p. 2 Operations: change \$115,000 to \$15,000+ and p.3 New Business Jim Janhunnen is a member of the RRPOA BOD; Pam Dance made a motion to approve the Nov. 16 minutes, as amended. Shawna Verdi seconded the motion. All in favor, motion passed.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - December services	\$ 400.00
Secretary's pay - Nov. services	60.00
River Rock POA - Admin fees	2,000.00
Ron Edwards - Operator	484.98
Eddie Muniz - Maintenance	275.00
NW Energy - previous payment	3,933.24
Qwest	59.86
Energy Labs	15.00
Stovall (refund)	67.00
Total:	<u>\$7,295.08</u>

The Board decided to disconnect the phone line in the pumphouse on N. River Rock Rd. Shawna made a motion to pay all claims presented. Pam seconded the motion. All in favor.

REPORTS:

Revenue Summary - Christine Clarkson submitted a printout for November billings/payments.

Financial: As newly elected Board Pres., Steve will be assuming the duties of Treasurer from Sharold Buerkle.
\$75,606.43 in the checking account
\$248,334.71 balance in the Money Market Acct. and
\$63,000.00 will be transferred to the MMA from checking for Steve and Dan to pay the \$212,360.00 in loans before Dec. 29, 2006.
\$421,000.00⁺ is in CDs earning varying interest rates.

Maintenance - Eddie greased the pumps (needed every 3 months).
Pulled pump #2 - pr. of nylon stocking tripped the circuit, the grinders are okay.
Carol Gerovac also worked today (12/14/06)
Do we need a manhole cover without holes?
Ron suggested using a pick hole.

Operations - Ron submitted a written report to the Board.
A run timer (hour Meter) could be installed for Well #2.
The jockey pump needs replacing - the ~~out~~ meter is broken.
Annual Water Rights Report to DNRC was submitted Nov. 30, 2006.
Koon will provide Black Mt. Software training Jan. 16 - 18 for Christine. Chris et al from NW Pipe will also attend.
May need more radio transmitters on meters.?
Regensburger (DEQ) gave an extension for the permit.
Sharold recommended that the Board accept TD&H's contract.
He made a motion to accept TD&H's contract to install a monitoring well. Shawna seconded the motion. None opposed.
Motion passed and Steve signed the contract. Ron will put a cover letter to ask TD&H to start billing monthly - to receive bill by Monday before the third Thursday.

OLD BUSINESS:

Eddie's new contract, exclusively with RRCW&SD, was e-mailed to the Board.

Discussion: A copy was given to Eddie at the meeting.

Eddie and the Board agreed on the contract.

Sharold made a motion to accept the contract. Shawna seconded the motion. All in favor. Motion carried.

Eddie's name needs to be corrected on the contract. It will be retyped and Steve will get with Eddie to sign.

Christine's contract - Sharold made a motion to contact the POA Board that RRCW&SD, per Sect. 3, to cancel agreement. Pam seconded the motion. None opposed.

Discussion: Steve received the new contract from POA Board, deleting Christine's name.

Sharold made a motion to terminate the contract with POA (sharing employee) and pursue a contract with Christine immediately. A vote was taken:

All in favor to terminate contract - 4 ayes, 1 absent, 0 nays.

Steve will draft a letter to the POA.

NEW BUSINESS:

Transfer of funds to pay loans - requires a wire to a physical address. And contact Anna at DNRC when payments are made.

Annual audits - 2006 could be done with 2007. But Board feels that 2006 should be done now to see where the District stands. Holmes & Turner indicated that \$109,000 more/yr. in income is needed to meet 125% of revenue bond(s).

Pam moved that we have the 2006 audit done now.

Shawna seconded the motion. All in favor. Motion passed.

Note: Christine said that Holmes & Turner should produce a projected budget for 2007, which will be ready by the Jan. meeting. (Results will be looked at during the Jan. meeting.)

NEW BUSINESS (cont.)

March Agenda - look at ways to bill water for overuse and alternate-day watering - - water crunch starts Memorial Day Weekend.

Qwest is billing for a line in the pumphouse. It is unplugged and unused. Disconnect? Ron - the booster station could use an auto dialer.

Pam moved to disconnect phone line in pumphouse.

Shawna seconded the motion. All in favor.

5 minute recess 8:45 - 8:50 P.M.

Sharold - proposal for Christine to work for District as an independent contractor, salaried, plus mileage reimbursement clause at \$0.48/mile.

Pam moved to draw up a contract, hiring Christine.

Sharold seconded motion.

Discussion: Christine will need to submit a monthly statement.

Steve hopes that POA will approve Christine working out of office.

All in favor.

A second motion was made to enter into contract with Christine.

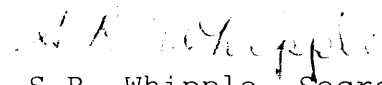
Shawna seconded this motion. Discussion: None.

All in favor. Christine will continue as Office Manager for the District, read meters, do billing, and make bank deposits.

New address: 265 N River Rock Drive Ph: 581-7644

There being no further business, the meeting was adjourned at 9:09 P.M.

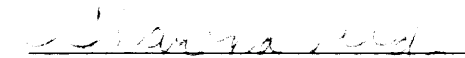
Respectfully submitted,


S.R. Whipple, Secretary

ATTESTED BY:


Board Member

WITNESSED BY:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, November 16, 2006

PRESENT: Buerkle, Rude, Dance, Child, Verdi
GUESTS: Clarkson, Muniz, Edwards, Jim Janhunen

The meeting was called to order at 7:07 P.M. by Board President, Sharold Buerkle. He called for a motion to accept the October 19, 2006 minutes. Steve corrected the spelling of Kevin's surname to Amende in **NEW BUSINESS** and in the same paragraph, Pam corrected the spelling of taxes. These changes being noted, Steve made a motion to accept the minutes as presented, with corrections. Dan seconded the motion; all in favor, motion passed.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors pay - November services	\$	400.00
Secretary's pay - October services		60.00
River Rock POA - Admin. fees	\$312.00 postage	
	225.00 E. Muniz	
	40.17 locks	2,577.17
Ron Edwards - Operator		880.00
Qwest		59.36
Energy Labs		15.00
First West Ins. - 4th Qtr.		1,018.00
Advanced Wastewater (replaced floats in Lift Sta.)		<u>1,044.35</u>
		\$6,053.88

Pam made a motion to pay claims. Dan seconded the motion; all in favor, motion passed.

REPORTS:

Revenue Summary - Christine provided the printout of October activity. Comparing to 2005, October usage was low, so bill-
is low.

Financial - Sharold reported \$44K⁺ in checking, and approx. \$8K to be deposited, Christine will be able to transfer \$27 to the Money Market Acct. (Dec. 30 loan payment fast approaching).

Maintenance - Eddie wants to stay with the District. Steve will draw up a contract. Eddie will continue to do weekly checks and shut curb stops when needed.

Steve made a motion to retain Eddie Muniz at \$50 hr., under verbal contract until written contract is presented at the December 14 meeting. Shawna seconded the motion; none opposed, motion passed.

Note: Eddie is no longer employed by River Rock POA.

Operations - Ron presented a written report. There has been a 58% increase in usage of water (as well as new builds) in 2006.

Pump #5 was repaired by G. Menninger and set to Auto. Gary, the industrial electrician who installed the original pumps, is semi-retired and we must find someone to do the same type of work (hard to find).

Andrea Vickory (DEQ) said the lead & copper samplings are missing - Energy Labs will forward results (Ron has sent copies).

Black Mountain Software will provide a 3-day training session for Christine et al.

Compliance with discharge permit will cost over ~~\$115K~~ ^{\$15K} for a monitoring well, flow monitoring, and other expenses such as labor.

Gary Hendrix of Great Falls will look at controls.

Sharold - What is the pump's capacity to empty the system? Flow rate vs water right -there is a daily limit or capacity.

Ron asked Sharold for a proposal to measure air volume output by blowers. Steve made a motion to have TD&H look at output and have TD&H present a contract to the Board.

Dan seconded the motion; all in favor, none opposed.

Steve said, "Get that thing (monitoring well) in the ground by March."; thinking that well drillers will not be available when Spring begins.

NEW BUSINESS:

Mr. Jim Janhunen, has recently been appointed to the Board of Directors of the River Rock Property Owners Association. He delivered a letter from the RRPOA signed by Kevin Amende. The Board discussed with Jim the pros and cons of keeping their two employees. Discussion:

For the Water Bd., Christine uses a hand-held, self-reading meter reader. \$10K was spent to purchase this new system. It will take 2-3 days to read all the meters.

The Water Bd. bills monthly vs the POA's quarterly billing of dues.

Sharold stated that Christine and Eddie are valuable employees. It has already been decided that the Bd. wants to keep Eddie and would also want to retain Christine.

Shawna added that Christine is knowledgeable of all aspects of the Water District's operation.

Dan wants to continue to work together with the RR POA.

Steve made a motion to terminate the contract with the POA and hire Christine directly as an independent contractor.

Pam stated that the POA would still have the option to hire Christine as an ind. cont.; seconded the motion.

Sharold noted that this arrangement would decomplicate relationship. The RRCW&SD has its own software and would compromise by not charging for watering common areas.

Dan, respecting others opinions, not charging for the water is a conciliatory gesture.

The 5 member board cast a written vote. 3 nay 2 yea
Motion failed. Christine's employment remains status quo with the Water District.

Next, consider the POA proposal to renew the contract, adding a 30-day clause.

Steve made a motion to accept paragraph 1 option. The RRCW&SD will continue to pay \$2,000 a month. Duties remain the same for Christine. Dan seconded the motion. All in favor; none opposed. Motion passed.

The POA no longer has Eddie in their employ. Therefore, Steve made a motion to send a letter to the POA terminating the contract with Eddie. Shawna seconded the motion. All in favor. Motion passed.

Election of Officers -

For President of the Board - Dan nominated Steve
Steve nominated Pam - Pam declined because of distance

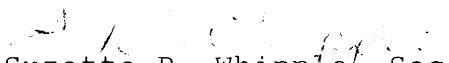
For Vice President - Pam nominated Dan - Dan declined
Dan nominated Pam

For Sgt. at Arms - Pam nominated Sharold

There being no further nominations, by acclamation Steve Bude is President, Pam Dance is Vice President, and Sharold Buerkle is Sergeant at Arms. Godspeed to all of you on the Board.

Pam made a motion to move the meeting date in December to the 14th. Steve seconded the motion. Dec. 14 meeting date will be on the water bill. The meeting will be held at the RR Office.

The meeting adjourned at 8:58 P.M.

Respectfully submitted,

Suzette R. Whipple, Sec.

ATTESTED BY: 
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, October 19, 2006

PRESENT: Rude, Dance, Verdi, Child
ABSENT: Buerkle
GUESTS: Clarkson, D. Crawford (TD&H), Rosie (Holmes&Turner),
K. Amenti (RRPOA), A. Goodyear
Amentie

The meeting was opened at 7:05 P.M. by V.P. Steve Rude.
Shawna made a motion to accept the September minutes
presented by the Secretary. Pam seconded that motion.
None opposed; motion passed.

CITIZENS COMMENTS/REQUESTS: none

CLAIMS:

Directors' pay - October services	\$	400.00
Secretary's pay - September services		60.00
River Rock POA - Admin. fees		2,275.00
Qwest		59.36
Energy Labs (\$180 + \$15)		195.00
Northwest Pipe - 40 meters and 2 chamber kits		3,737.80
G.L. Henninger - electrical contractor - pump #5		7,155.00
DEQ - Public Water Supply Annual Fee		1,872.00
N. Koester - refund of overpayment after property sold		23.04
		<hr/>
		\$15,777.20

NorthWestern Energy was paid \$7,383.86. Steve asked for a motion
to pay claims as presented. Dan made the motion which was
seconded by Shawna. All in favor; motion passed.

REPORTS:

Revenue Summary - Christine provided the printout of September
activity. All delinquent accounts receiving shutoff notices
have been paid.

Financial - Steve reported \$79,246.97 in checking and \$189,653.62 in the Money Market Acct. Christine will draw down checking to \$20,000+, after deposits and bills are paid, and \$7,000+ for NorthWestern Energy.

OLD BUSINESS:

Dave Crawford - monitoring well is part of compliance for Waste Water Permit (see report). TD&H wants to reevaluate the system's capacity. The original design showed a generator in the booster station and a generator for the Lift Station but NW Energy said Belgrade has a substation (and power loss would be minimal). Crawford suggested that the Board apply for a grant.

Discussion: Dan asked, "What process is involved to apply for grant"? It is a 3-page application. Dave e-mailed letter to Operator Ron Edwards. Steve wants feedback from Ron before making any decisions.

The discussion turned to use of the lagoon cells (p.2, Part 3, Item 12). The previous operator used the cells farthest to the north. The cells are supposed to be alternated.

Note: The population of River Rock has dramatically increased in the past 3 years, therefore, use of the sewer system has increased. TD&H would like to study the present situation. Dan asked, "permit application will require ID of engineer"? Steve tabled the discussion until the November meeting.

Dave will have Jim Pierce call regarding the check valve.

Rosie - is doing the audits for the District. She submitted a preliminary draft. Rosie asked the Board if they were aware of a \$109,000 shortage of income, of what we should be billing? Note: Rates were set by the State.

Discussion: Steve gave a brief history of meeting the bond payments. In 2005, the Board used CDs to meet loan payments. We may need to replace that money from future profits. The CDs are reserve accounts. The Money Market Acct. needs

to stay above \$100K to accrue interest. There needs to be \$427k (have \$409k) in reserve.

Discussion: Audit needs to be done on an annual basis.
The Board will discuss this further at the November meeting.

The Board took a 5-minute break (7:49 - 7:54)

NEW BUSINESS:

^{11/10/10}
Kevin Amenti, RR POA Board Member, presented written notice not to renew agreement as it stands (see 2-page letter). For the POA to justify full-time employment as salaries have increased (POA Board raised the salaries by 40%), as well as payroll taxes, the POA is proposing some changes.

Discussion: The land, pump house, and pond were dedicated to the public and the public has access to the pond and streets and covered under a common or general easement. The rates to LandMark Water Co. are a shade higher than RR:

750 gallons	vs	1,000 gallons
LandMark		River Rock

RRCW&SD is a pseudo-government agency.

The District pays for electricity for the blowers. There is always a 10-15% loss in metered water (23% in August) which is used to irrigate the common area greens. Kevin asked, "What is the standard"? Dan stated that the situation in RR is unique and would like to keep things the same and not increase expenses. The arrangement was set 5-6 years ago. The contract is loosely set with the POA. Steve asked, "Did the contract answer your questions"? Kevin said, "Absolutely. The residents would like to have one site to pay bills, ask questions, etc.". The pond cannot be closed to the public. The POA carries liability insurance.

Eddie and Petticoat will be working on the storm drains Tuesday, October 24.

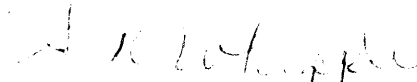
Eddie submitted a letter of resignation to the POA Board effective November 14.

Is the POA's goal to eliminate position(s)? Kevin said,

No, but they are budget issues. Would the Water Board want to retain Eddie from Nov. 15 to Dec. 31?"
There has been a lack of communication between the Boards. Kevin thanked the Board for giving him all the time he needed to clear the issues.

There being no further discussion, Shawna asked that the meeting be adjourned. All in favor. Meeting ended at 8:58 P.M.

Respectfully submitted,



Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, September 21, 2006

PRESENT: Buerkle, Rude, Child, Verdi
ABSENT: Dance
GUESTS: Clarkson, Muniz, Edwards, T. Rude

The Board took several minutes to read the letter from Lou Morris, Property Owners Association (POA) Board Member. The meeting was called to order at 7:10 P.M. by Board President, Sharold Buerkle. Reading of the August minutes, Steve Rude noted on p. 2, Operations: the sentence " A flow of 1.6 - 1.7 thou. gallons should indicate 1.6 - 1.7 million gallons per day...". Dan Child made a motion to accept the August 17, 2006 minutes as amended. Shawna Verdi seconded the motion. All in **favor**; motion carried.

CITIZENS COMMENTS/REQUESTS:

None.

CLAIMS:

Directors' pay - September services	\$ 400.00
Secretary's pay - August services	60.00
RR POA Admin. fees	2,871.93
Ron Edwards - Operator	408.69
Qwest	59.36
Energy Labs (\$75 + \$208.15)	283.15
Northwest Pipe	633.60
G.L. Henninger - electrical contractor - checked Pump #5	150.00
	<hr/>
	\$4,866.73

The bill from NW Energy for August was \$6,904.26.

The proposal from G.L. Henninger for Pump #5 will run \$6,915.00 plus the charge for microcom controlling wire.

Shawna made a motion to pay the claims as presented. Steve seconded the motion. Motion carried and claims were paid.

REPORTS:

Revenue Summary - Christine submitted the report for August.
Summer watering is at its peak. (See, report).
-10-day shutoff notices were sent out to, delinquent accts.

Financial - Sharold stated that the checking account has a balance of \$88,591.53 and an additional deposit of \$20K. When the balance of the Money Market exceeds \$100K, the account earns 3% interest.

Dan and Steve visited the Big Sky Western Bank Manager and it was agreed upon to increase the interest rates on the CDs by 1.1%.

17 years remain on repayment of the loans.

Maintenance - Eddie said that the Lift Station is acting up again! And Well #2 has a communication problem. A panel was down; there is a 2nd breaker inside the panel.

There is a possible collapsed 4" sewer line between the new apartment 4-plex at 402 West Shore Drive and behind the mailboxes in the park. Arrangements have been made to dig it out. Eddie will go tothesitetomorrow.

Ron has a contact, Jason Burk, who may be able to rework the check valve(s). Steve will call Jim Pierce at TD&H to get the specs. Has the Board authorized the repair?

Operations - Ron reported that work on Pump #5 should start by the end of the month. The Operator, Ron, and TD&H, the engineering designer, are discussing reversing the order (sequencing) of how the pumps turn on.

Lagoon cells 5, 6, and 7 were not used all summer - dried up. This should help prevent some of the odor in the Spring.

As water tanks drop levels, there may not be enough pressure. At 250,090 gallon capacity, it meets requirements of a fire tank.

Operations (cont.)

See Report for sample results. Sampling for September will be done next week.

The new test well would be point of standard.

Steve asked, "How soon can we anticipate having the well in operation?"

Ron responded, "The well needs to be designed."

The Board took a 5 minute recess from 8:03 - 8:08 P.M.

NEW BUSINESS:

The letter from Lou Morris, River Rock POA Board Member, was addressed. Para. 4, Item 3 - hours - Christine figured that it takes 15 - 20 hours per week (averaged over the month) to attend Water District business, which entails Meter reading, **incl.** two master meters Billing, to outside users, Handling payments and deposits, Opening, reading, and routing the mail, Ordering and selling meters to builders, Submitting monthly Revenue Summary and ^{and claims} attending Water Board Meetings, Customer Service over the phone and at the office, and any other situation that arises.

Eddie is paid on an hourly basis directly by the Water Board.

Board President, Sharold Buerkle, stated for the record:

The POA letter nowhere mentions that there is no **charge** to and no meter for water at the Community Center, Office, and Maintenance Shop; and irrigation of **common areas**.

(green space)
Item 1: A contract was presented to ~~the~~ Water Board from PC Development. Jason Leep, PC Liaison, said to keep things friendly, share office and machines, and buildings.

NEW BUSINESS (cont.)

Vice President, Steve Rude, stated that he is disappointed that no one from the POA Board was present at the meeting. The hostile letter lacks information and no **one was** available to have a discussion.

Sharold said that the letter reflects a lack of knowledge of how the District works.

Operator, Ron Edwards, calculated that the unmetered water, split between the two Boards, would run about **\$6,750.00** a month during the Spring and Summer months (winter usage needs to be monitored).

A second letter was placed in the drop box. The letter was unsigned, but contained much of the same information as the first letter. Board Member, Shawna Verdi, said that the anonymous letter will not be addressed because there is no one to address it to.

Board Member, Dan Child, made a motion to write a letter to the POA, answering Items 1 - 5. The letter would be written by Steve Rude. Steve will provide all Board Members with a copy, to review the draft, before it is mailed.

The motion was seconded by Shawna. All members present were in favor of writing a letter. Motion carried.

OLD BUSINESS:

An update of term filings with the County reflects that Dan (replacing Don), Pam, and Steve's terms end Nov. 6, 2007. The terms of Sharold and Shawna (replacing **Vicki**) will expire on Nov. 3, 2009.

There being no further business, Steve made a motion to adjourn. All in favor; meeting ended at 8:37 P.M.

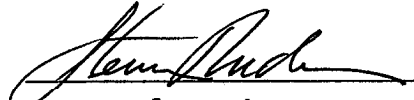
Respectfully submitted,



Suzette R. Whipple

Secretary

ATTESTED BY:


Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, August 17, 2006

PRESENT: Buerkle, Rude, Child, Dance, Verdi
ABSENT: None
GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,
Paul L. Loeffelholz, George E. Hubbard

Board Pres. Buerkle called the meeting to order at 7:10 P.M., meeting at the River Rock Community Center. The board read over the July 20 minutes. Steve noted that on page 4 of 4, drain covers should read "sanitary sewer manhole covers". With this amended wording, Shawna made a motion to accept the minutes. Pam seconded; all in favor. The motion carried to accept the July 20, 2006 amended minutes.

CITIZENS COMMENTS/REQUESTS:

New residents, Loeffelholz and Hubbard, were concerned about street noise and speeding vehicles. The board referred the gentlemen to the Property Owners Association. They were also interested in staying for the water board meeting.

CLAIMS:

Directors' pay - August services	\$ 400.00
Secretary's pay - July services	60.00
RR POA - Admin. fees	2,737.24
Ron Edwards - Operator	400.00
Qwest	59.36
Energy Labs	646.30
Northwest Pipe - handheld meter reader/charger	1,717.00
40 radio units	6,668.00
Brenntag Pacific (chlorine)	544.05
1st West Insurance - 3rd Qtr. installment	1,018.00
Total:	<u>\$14,249.95</u>

NorthWestern Energy received payment of \$6,719.76.

Pam made a motion to pay all claims presented. Shawna seconded. All in favor; the motion carried and claims will be paid.

REPORTS:

Revenue Summary - Christine provided a printout for the month of July. The number of connections is 992. Weather this summer was hot and dry, resulting in high water usage. Landmark paid the bill for \$22,109.48. There will be a deposit for approx. \$32,000. There were 2 letters from residents regarding watering common areas and the cost of cleaning up after dogs.

Financial - Sharold reported \$101,735.53 in checking. \$80,000.00 will be transferred to the Money Market Acct. Last month's checking balance was \$21,253.63.

Maintenance: Eddie brought pictures of the old pumps that have been replaced. TD&H is having a hard time finding a bidder to move and install the check valves. Ron may^{know} someone who can do the work. If not, Steve asked that we seek bids again in February 2007. The new pumps are running approx. the same times.

Operations - Ron asked Eddie to cut back on watering open spaces (common areas) to preserve water pressure and it did help. The letter regarding Landmarks usage, dated July 17 and mailed August 1, had not reached the residents as of this meeting, due to late billing. Some residents were complaining of low water pressure. One resident called on Aug. 7 to say that her children could not take a shower while the sprinkler was on. Shawna noted that this sounds like a water heater problem. A flow of 1.6 - 1.7 ~~million~~ million gallons per day is maintaining a pressure of 66 lbs. See Aug. 17 Operator's Report for details.

TD&H wanted a second master meter comparison which Ron will e-mail the results.

Pump#5 is showing run time-in the off position. Gary Pippin with Industrial Systems referred Ron to Gary Henninger, the installer. He is scheduled to look at the pump Wed.

Operations: (cont.)

Any rate change proposed for Landmark by this District must have a mail notice and public hearing.

Landmark Water Co. has requested a rate increase from PSC.

Ridgeview Elementary School has an irrigation well.

Steve stated that RRCW&SD is meeting the demand for water with Pump#5 off.

OLD BUSINESS:

SW corner of RR - possible location for additional monitoring (test) well. The State must approve the site.

Flow monitoring requirements will be the most difficult to conduct for the Permit approval.

Ms Pride, who wants to build a business on Royal Rd., has not made a decision yet regarding a means of fire suppression.

Operator, Ron Edwards, stated, "You don't want to operate on the edge all the time".

NEW BUSINESS:

In regards to Landmark's usage - Ron suggested delaying action until March 2007 with change proposed in an April mailing followed by a May public hearing. A proposed tier should apply to water use only, not sewer; therefore, would probably be a flat charge.

There being no further business, Steve made a motion to adjourn the meeting. All in favor; meeting ended at 8:10 PM.

Respectfully submitted,

S. R. Whipple
Suzette R. Whipple, Sec.

ATTESTED BY:

Dan Cliff
Board Member *Dan*

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MINUTES OF THE JULY 20, 2006 MEETING

PRESENT: Buerkle, Rude, Dance, Child, Verdi
GUESTS: Pamela Pride, Steve Jacoby, Christine Clarkson, Eddie Muniz,
Ron Edwards

Sharold called the meeting to order at 7:05 PM. Dan asked for a correction to the minutes on p. 4 under NEW BUSINESS - "Storm drains go into a French drain." With correction, Shawna made a motion to accept the June 15 minutes; Dan seconded. All in favor.

CITIZENS COMMENTS/REQUESTS:

Ms Pamela Pride is building a business on/near Royal Rd. and needs fire suppression. The board asked her to contact the other subdivisions to connect a fire hydrant. Ms Pride is looking at two properties - both have wells that are not sufficient and installing a holding tank would be too costly, about \$500k. She needs a letter from the board. Board explained that allowing use would require a Change of Use to our District, which we just completed for Landmark and Cobblestone. Because of present high water usage, Pump #5 may not be 100% available. A resolution would have to include expectations and liability. Upon verbal willingness, the board referred Ms Pride to the board's Atty., S. Swimley.

CLAIMS:

Directors' pay - July services	\$ 400.00
Secretary's pay - June services	60.00
RR POA - Admin Fees	2,000.00
Postage	390.00
Maintenance	300.00
Ron Edwards - Operator	489.10
Qwest	59.39
Energy Labs	305.00
Northwest Pipe 1 $\frac{1}{2}$ " meters	872.85
susan Swimley, Atty. - drafted letters to Holmes & Turner and Cok, Brown	58.53

CLAIMS: (cont.)

AWWS - balance due on pumps (includes install.)	6,359.10
TD&H - Discharge Permit	378.00
Black Mountain Software	548.00
	<hr/>
	\$12,219.97

Including Ron's services and Black Mountain, Steve made a motion to accept all claims as presented in the amount of \$12,219.97.

Shawna seconded. All in favor. Claims will be 'paid.

REPORTS:

Revenue **Summary** - Christine prepared a report for the month of June. Billing was over \$75K.

Financial - Sharold reported that the loan payments have been met. Dan and Steve transferred monies at Big Sky Western Bank from the Money Market Acct. and the checking account. The bank's president waived the transfer fees.

The MM Acct. now has a balance of \$1,252.21 and an additional \$30,000.00 to be transferred from deposits made to the checking acct.

The CDs earned \$13,853.61 in interest and now total \$420,115.21.

Looking back over the past 18 mos. since the board took control over the finances, the District has made it through some serious purchases and have met the loan payments without the CDs.

Water sales are through the roof.

Holmes & Turner have not billed the District yet for the audits.

It will be over \$7,000.00. The audits will be from inception.

Atty. Swimley said there are no assessments against the District.

Operations - Ron Edwards

Needs to order a new clock for Pump #4.

See handout for water usage report.

REPORTS: (cont.)

If one well went down, we would have to restrict irrigation (watering lawns).

Send copy of water usage report to PC Dev. notifying them of high water usage at **Landmark**. The agreement may need to be reviewed.

Pam suggested a surcharge be added to the normal rate over the agreed amount of usage. Steve agreed.

Pump #5 's run times are still too high.

River Rock is using over 400,000 gals/day and

LandMark is using over 300,000 gals/day.

Dave **Crawford** of **TD&H** wants a comparison to the master meter.

RR has 1,000 connections and **LM** has 220 svc. connects..

LM is using 3.4 x more water per **conn.** Each house is on $\frac{1}{2}$ acre lot.

On p. 4 of the Operator's rpt. - Water sampling - started chlorine running all day (2.4 ppm).

The Annual Drinking Water Report went out to all residents.

Also see p. 4 for reasons to deny water to Futurecast (Ferguson Subdivision),

Dan asked about drilling a third well. Would the cap on usage be increased?

Steve made a motion to deny request from Ferguson Subdivision based on Ron's recommendation. Dan seconded the motion. All in favor. Motion passed. Ron drafted a letter to Futurecast which will be edited, dated and signed and mailed.

The new digital meter reading system will be ordered from Northwest Pipe. Black Mountain is working on the software format.

WasteWater- letter was sent to DEQ.

Board and operator will look at land ownership near RR for an additional test well.

Our neighbors still smell the lagoon. It is still being aerated. Waiting for **influent** and effluent test results.

REPORTS: (cont.)

Maintenance - Steve attended the July 18 POA meeting. Lou Morris, board member, suggested replacing the solid ~~covers~~ ^{Sanitary Sewer manhole} covers with grates to avoid street flooding during heavy rains or snowmelts.

OLD BUSINESS:

Installation of new pumps is scheduled for tomorrow.

NEW BUSINESS:

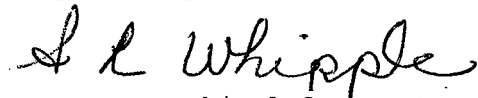
Water system usage - Steve suggested that implementing incremental rates for Landmark would get their attention.

Cobblestone is beginning what will be 92 **svc.** connections and River Rock is not near buildout.

Note: A letter to all residents was mailed July 27 regarding water usage.

There being no further business this evening, Dan made a motion to adjourn. All in favor. Meeting ended **approx. 8:30 PM.**

Respectfully submitted,



Suzette R. Whipplef Secretary

ATTESTED BY:



Board Member *Shawna*

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT

BOARD MEETING MINUTES

Thursday, June 15, 2006

PRESENT: Buerkle, Rude, Child, Verdi
ABSENT: Dance
GUESTS: Ryan Coombs, Dustin Workman, Christine Clarkson, Eddie Muniz,
Lori Muniz, Ron Edwards, Andy Ferguson

Sharold called the meeting to order at 7:20 P.M. in the River Rock Community Office. Steve made a motion to accept the May 18, 2006 as written. Shawna seconded the motion. All in favor.

CITIZENS - S / REQUESTS :

Futurecast is still interested in connecting to RRCW&SD. Mr. Workman said he would take care of Usage Permit. The subdivision would have a 250,000 gallon tank for storage. TD&H estimated the peak hour demand to run about 3,300 . Ron, Operator, said booster station can't handle 3,300. If it would need pump #5, that would jeopardize fire suppression capacity. Mr. Workman is concerned that water rights may become an issue soon. The reason for the hookup request is to avoid having to use their own well(s).

Dan would like to be sure that the system would function at these levels. Ron stated that usage is so high now, irrigation (watering lawns) would require a central well providing 1" per week.

Steve would like to see what happens this summer (at River Rock, LandMark, and Cobblestone).

Dan asked, "Can we meet pressure level of 20 psi?"

Steve asked, "What causes limitations?"

Sharold stated that first year usage is high.

Andy Ferguson said he would implement tiered billing.

Ron asked for projections. Including LandMark, in 2005 433,000 gallons were used and now we have Cobblestone hooking up, a gain of 100,000 gallons per year. The maximum is 350 million gallons per year (however, the existing system can't deliver this much).

Discussion continues:

Timeline? Ryan Coombs says he wants the Board to feel comfortable with its decision. The Board wants to sell water to generate revenue.

Mr. Ferguson asked, "What information do you need?"

Ron will send production totals.

CLAIMS:

Directors' pay - June services	\$ 400.00
Secretary's pay - May services	60.00
RR POA - Admin. fees	2,325.00
Ron Edwards - Operator	425.11
Qwest	59.39
Energy Labs	30.00
Northwest Pipe 1 $\frac{1}{2}$ " meters	658.79
Rental Professionals - overpayment	+ 70.87
	<hr/>
	\$4,029.16
Northwestern Energy	1,621.62
	+ 2,058.17
	<hr/>
	\$7,708.95

With the addition of Ron's bill, Energy Labs, and Northwestern Energy, Shawna made a motion to pay all claims. Dan seconded. All in favor, motion passed.

REPORTS:

Revenue Summary - Christine presented the May 2006 tallies to the Board.

Two houses hooked up in Cobblestone.

Mr. Morris' bill will be settled by when Christine started reading meter and sent a bill for approx. \$80 on the second reading.

Deposits totaled \$32,411.76.

REPORTS: (cont.)

Maintenance - Eddie said the pumps should be here in two weeks.
Some parts have been delivered.

Operations - Ron said that LandMark's individual meters are approx. equal to the master meter readings. There was a peak of 1,391,897.7 avg. gallons per day on May 18, 2006. No indication of a leak.
Pump #5 is still running excessively.
Storage tank would only last 3 hours - also when using both wells.
Pump #5 kicks in when the pressure drops.
May 10 brownout caused water pressure to drop. Sharold rebooted the pumps in sequence.
DEQ will allow an extension to the Groundwater Discharge Permit.
Ron will call Eric Regensburger and tell him the letter is on the way.
Lagoon odor - rotating seepage cells has helped reduce the foul smell. When it rains, the odor is more evident. TD&H's design does not require a 3rd blower; designed for 2,400 people at buildout.
Effluent and influent tests cost \$50 per sample.
The 2nd blower can be turned on manually to run during the day (or night).
The water was off Friday, May 26, late afternoon.

Financial - Sharold reported \$29,436.77 in checking and \$177,830.56 in the Money Market Acct.

Transfer \$10K to MM (there must be a remaining balance of \$1,000 after the loan payment of \$212,720.00). The remaining \$5-6,000 will come from deposits and the CD that is maturing. Note : Last year's difference was \$18K.

Steve and Dan will go to the bank, make the two wire transfers - one for water and one for sewer. Then, reinvest the remainder of the CD on or about Thursday, June 29, 2006.

OLD BUSINESS:

The T-connection resolution has become a moot issue. It is too late in the construction schedule.

OLD BUSINESS: (cont.)

Permit extension - see Operations Report.

NEW BUSINESS:

River Rock Subdivision experienced heavy rains. There were 95,000 gallons of run-off in the street on N. River Rock. The high-water level alarm went off and Eddie pulled the drain covers. Storm drains go into a ~~fringe~~ drain.

French

There being no further business, the meeting was adjourned at 8:50 P.M.

Respectfully submitted,

Suzette R. Whipple
Suzette R. Whipple, Secretary

ATTESTED BY:

Shawna Vesdi

Board Member

WITNESS:

Dan Child

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
Thursday, May 18, 2006

PRESENT: Buerkle, Rude, Dance, Child, Verdi
GUESTS: Clarkson, Muniz, Edwards, L. Morris, K. Hengel,
G. Rice, C.&J. DelGrande, R. Coombs, A. Ferguson,
D. Summerfield, D. Workman

S. Buerkle called the meeting to order at 7:05 P.M. in the RR Community Center. He entertained a motion to approve the April 20 minutes. S. Verdi made a motion to accept the minutes as presented. S. Rude seconded her motion. Motion passed.

CITIZENS COMMENTS/REQUESTS:

Ken Hengel, residing on Wild Horse Trail, complained of the hideous odor coming from the sewer lagoon. He said the smell ruined his daughter's birthday party.

Ginger Rice said that she is expecting guests for a wedding to take place June 10.

Response was deferred to Ron Edwards, Operator. He took comments from other residents present, then explained the situation. The problem started mid-April when the lagoon melted and the system started pumping air to the spring turnover. Ron checked the blower's header pipe then started running the blower(s) 24/7, alternating the two blowers. This summer/fall, the blowers will be run 8 hr/dy. The Biochemical Oxygen Demand (BOD) has been increasing. Not enough microbes and time for the microbes to process the waste volume.

TD & H was consulted: Can we run both blowers? They looked at the design rates. The problem is getting air to the pond. There is space for a 3rd blower.

Note: At full build-out, River Rock will reach capacity at 1,300 hook-ups. (Landmark and Cobblestone are not provided sewer service by RR - each home has its own septic

system).

Open lagoons are the primary sewer treatment system in Montana. May 2, the pumps were running 24/7. In the primary pond, the debris settles. Then, the water flows into the 2nd pond by gravity then into the leach fields. If the problem continues 2-3 months, nitrates can go up in ground water.

Mr. Hengel and Ms Rice both reiterated that the offensive smell is affecting their home lives and visitors. Mr. Morris asked about the timing of runs 8-9 hr/dy.

Discussion: to prevent this from happening next spring, turn on blowers earlier and provide a 3rd blower for back-up. Pond would not need to be dredged for many years. The lift stations help and the bio-blockers. Mr. DelGrande asked if the District has funds to add and replace blowers. Sharold explained about the money provided by the State which is held in staggered amounts and maturity dates on CDs.

Sharold brought up about DEQ's requirement for a test well further out. "Who will make the decision to put a 3rd blower on-line?:" asked Mr. DelGrande.

Ron said it would take 2-3 weeks to install a blower. Running both blowers at the same time, however, may overload defusers in the bottom of the pond. Mr. Hengel asked, "Are plats being rezoned to higher density"? Lou Morris, who sits on the POA Board of Directors, stated that knowledge of the limits placed on the RR sewer system, may satisfy residents qualms.

Water usage at build-out of RR, RRNW, LM, and CBS will reach 85%.

As a courtesy to our other guests from Futurecast Development, the board addressed the letter from Andy Ferguson requesting water service from RR. Also representing the company were Ryan Coombs, Daniel Summerfield, and Dustin Workman. Futurecast wants to build a 30-40 lot subdivision to be located off

Thorpe Rd. and Baileys Way. The maximum **capacity** would add a 3% increase to the present 78%. In comparison, there would be a bigger impact from Landmark's $\frac{1}{2}$ -acre lots irrigation (watering lawns) during the summer.

If the board were to go forward with this proposal, the permit would have to be rewritten - again. Steve recommended that the board wait until full build-out, including the 50 connections in RRNW, before changing the permit. Sharold spoke on the history of the permit and all that is involved. The wells have good capacity. However, if the power goes out, the water loses pressure. Note: A power outage of unknown origin **occurred** on Friday, May 26. The water flow was down to a trickle.

The Board took a 5 min. recess (7:58 - 8:03 P.M.).

CLAIMS:

Directors' pay - May services	\$	400.00
Secretary's pay - April services		60.00
RR POA - Admin. fees	Clarkson/Muniz	2,475.00
	Hepatitis shots	254.00
	Postage	444.00
Northwestern Energy		1,621.62
		3.87
Energy Labs		15.00
AWWS - Todd King		1,035.00
Adv. Pump & Equip. - Downpayment on new pumps		4,500.00
Petticoat Cleaning - Carol Gerovac		750.00
Qwest		59.39
First West Ins. - 2nd Qtr.		1,018.00
Ron Edwards - Operator		400.00
		<hr/>
		\$13,035.88

NW Energy changed out account numbers because the TIN associated with the previous account numbers were for PC Dev.

The total bid on the pumps is \$10,668.75.

Steve made a motion to pay the claims presented. Shawna seconded the motion. All in favor; motion passed.

REPORTS:

Revenue Summary - Clarkson submitted the incoming totals for April. Holmes & Turner (Rosie) called - 2004 audit has been completed.

Finances - Buerkle gave a treasury report

MMA - \$157,570.05

Checking - \$37,678.83

A bond payment of \$212,720.00 is coming due July 1, 2006. We may need to tap the \$50,000 CD which matures June 21 to pay the loan, the balance on the pumps, and the audits.

Operations - Edwards

Water usage has increased from 700 thou. to 1.3 million.

Landmark usage shot up - is there a leak?

Pump 5 is running 6.7 hr/dy; normally only up to 3 hrs.

Recommend shut off Landmark 3 hrs. to see what happens to flow.

Christine will check Cobblestone's meter on a daily basis.

We are in the mid-three year cycle of monitoring 2005, 2006, and 2007. (see report)

10 samplings of Lead & Copper (PbCu) are required for 2006.

The discharge permit requirements have some monetary (cost\$) implications. 1. drill another test well

2. flow monitoring equipment to pond - provide daily meter readings

3. ratchet up sampling determine standard for well water

Test well may need to be on land past RR boundaries, to be 500 ft. from cell(s) downgrade. A small usage fee would be paid to the landowner.

Discussion: One option is to withdraw the permit with a letter from the Bd. Pres. This would be reacting vs proacting. Downside - if permit is withdrawn, fees already paid would not be refunded. And Steve said that a later permit may have more requirements.

Discussion: (cont)

Ron stated that the permit has to be renewed every 5 years anyway. Sharold did the math on leasing acreage at \$100/acre - how long - 50 years?

Board would like to table decision for 6 months to get well-dug, monitors in place, . . .

Eric would like to contact Wade DeBoe, perhaps a conference call. Then, if conversation is not favorable, Sharold would be authorized to send a letter withdrawing permit.

The district was not allowed enough time to act on these requirements. The Board needs more time to determine the depth of the well, get a bid from a driller - drillers are very busy this time of the year, and find a location for the well. It could be done by the end of summer, but not the end of June. Ideally, requesting an extension to meet requirements would work best. Therefore, Steve made a motion to ask for an extension. Dan seconded the motion. The results will be discussed at the June 15 meeting.

Lagoons need a numbering system. A resolution needs to be drafted along with a standard drawing. (See drawing of aerial /profile view).

Ron recommended that we look into a high-end meter reader. It would be hand-held and capable of downloading data into the Black Mountain Software. Writing down readings would be eliminated. Ron brought brochures of options.

Sharold made a motion to order Option #2. Shawna seconded the motion. No nays - motion passed.

By contract, all meters would be replaced in 15 years. Computable meters need a radio. Steve said that a resolution needed to be drafted. to require radio equipped meters for future builds at \$220 a meter.

Maintenance - Muniz

Two relays were changed in the pump, working better.
Lift Station #2 is in the process of being fixed.
TD&H is having trouble getting bids for moving the
check valve.

NEW BUSINESS:

C&H Engineering wants a letter denying access to the
RR drinking water system. Their feasibility study
showed that if Countryside Estates were to be added,
capacity would reach 95%, leaving no margin for operating
safety. Denial would allow C.E. Subdivision to use a
well/septic system for each home.

A motion to deny water service to Countryside Estates
Subdivision by Steve Rude. Dan Child seconded the motion.
All in favor; motion carried.

Sect. 16-19 Curb Valve (p. 88)

A separate and easily accessible curb valve and cast iron
curb box meeting the req. of MPWSS shall be installed...
at the expense of the customer requesting such service
line... and keep in good repair...

Mr. Morris received a letter regarding billing for a
sprinkler meter. There is some disagreement between the
main meter and how much the sprinkler system is using.
Perhaps the meter was installed incorrectly. And if
the main meter shows total usage, then the sewer charges
are over. Sharold asked Lou to have the system corrected,
then the board will look at usage.

There being no further business, Steve motioned to adjourn.
This very lengthy meeting lasted until 9:47 P.M.

Respectfully submitted,

Suzette R. Whipple
Suzette R. Whipple, Sec.

ATTESTED BY:

BY:

Steve Rude
Board member

WITNESS:

Sharon Woods

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
THURSDAY, APRIL 20, 2006

PRESENT: Buerkle, Rude, Dance, Child, Verdi
GUESTS: Clarkson, Muniz

Pres. Sharold Buerkle called the meeting to order at 7:15 PM. V.P. Steve Rude made a motion to accept the March 16 minutes as presented. Shawna Verdi seconded the motion; minutes were approved.

CITIZENS COMMENTS/REQUESTS:
None.

CLAIMS:

Directors' pay - April services	\$ 400.00
Secretary's pay --March services	60.00
RR POA - Admin fees Clarkson/Muniz	2,908.00
Qwest	59.36
Northwestern Energy	3,505.89
Energy Labs	15.00
Chem Pace	868.64
Northwest Pipe	5,035.62
Curt Electric	70.00
Susan Swimley, Atty. services	166.25
Nicholas & Laura Vitali - refund of overpayment (sold home)	17.16
	<u>\$13,105.92</u>

There was some discussion about moving the office. The District will incur some expenses changing the address from the Community Center, 101 River Rock Rd. to the Community Office, 240B N. River Rock Rd. across the street from the pumphouse.

Sharold visited S. Swimley to look over the Assignment of Water Rights for Landmark and Cobblestone.

Shawna made a motion to pay the claims presented. Pam Dance seconded the motion. The motion passed and \$13,105.92 in claims will be paid.

REPORTS:

Revenue Summary - Clarkson submitted income figures for March 2006.

Cobblestone has 11 units on-line and is close to finishing a few houses.

Financial - Ruerkle (not available at time of meeting)

Maintenance - Muniz

Carol Gerovac (Petticoat Cleaning) cleaned Lift Station 2 on March 20th.

The units, mostly rentals, that feed into this station are flushing too much plastic.

Todd King, AWWS, gave prices on a 2 HP pump with blades installed and tested would run about \$9,950.

Jim Pierce let the Board know that the specs are done and have put them out to bid. He recommended changing the pump(s) when the valves are relocated. Also, clean the check valve(s).

Operations - Edwards

There is an issue with the groundwater well 500 ft. into Wild Horse as a test well. The issue is with metering the flow on a daily basis.

PC is still carrying the lease on acreage to aerate effluent overflow, satisfying DEQ's requirement. P

When will the "plant" have to be updated?

If overflow does occur, the District would probably be fined.

Upstream of River Rock is agricultural land. When the farmers fertilize, the nitrate(s) levels go up.

Ron will draft a resolution requiring new construction to install a double-sweep T cleanout connection and send it to Swimley.

The Assignment of Water Rights, regarding Landmark and Cobblestone, was presented to the Board for approval and signatures. Dan Child made a motion to approve the agreement. Steve seconded the motion. All in favor; motion carried.

OLD BUSINESS:

Letters need to go out to all RRCW&SD accounts authorizing Christine access to information; the bank, NW Energy, Qwest, etc.

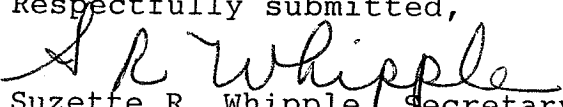
Letters need to go out to unit owners upstream of Lift Station 2, of a possible assessment if the amount of garbage being dumped into the sewer system doesn't diminish; cloth, tape, towels, plastic, gravel, etc.

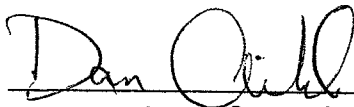
Steve wants the letter to go out as soon as possible.

NEW BUSINESS:

Approval of the T-connection resolution will be taken care of at the May 18th meeting.

There being no further business, the meeting was adjourned at 8:14 PM.

Respectfully submitted,

Suzette R. Whipple, Secretary

ATTESTED BY: 
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
THURSDAY, March 16, 2006

Present: Buerkle, Rude, Dance, Child, Verdi
Guests: Jason Leep, PC Dev., Jim Pierce, TD&H Eng.

The meeting was called to order at 7:11 P.M. by Board Pres., S. Buerkle. The first item was to read and accept the Feb. 16 minutes. Steve asked to strike the last sentence on p. 2 and[^] add "Conflict of Interest Form" to 1st sent., p.3. Suzette clarified that Shawna works at the Real Estate office (not mortgage co.). Pam Dance made the motion to accept the Feb. minutes, with corrections. Steve seconded; motion carried.

CITIZENS COMMENTS/ REQUESTS:

None.

OLD BUSINESS:

As a courtesy to our invited guests, Mr. Leep and Mr. Pierce, the board went directly to discussing the upgrading and relocation of the sewer check-valve so Eddie (and others) do not have to crawl in the Lift Station hole.

Discussion: Both PC Dev. and TD&H Eng. are willing to participate in fixing (upgrading) Lift Station #2 with a separate valve. Jason offered to pay half and TD&H will waive fee for design specs and/or any other costs. The District will also pay half of costs. Jim has been a man of his word, as promised, will correct this problem.

A second item for Jason, the required audits. PC will cover cost of 2003 and 2004 audits (\$3,200 and \$3,200) and the Board will pay the cost of the 2005 audit (\$3,500-a little more for the start-up fee). Holmes & Turner CPA have contacted Terri Zullo at PC for data on audit for 2003-4 (and has received said data).

Third item from Jason, he would like a water bill sent monthly

to Cobblestone Subdivision (PC sold pipes to Cobblestone). To do this, the board has to do an agreement reassignment. The Totalizer would be read, then the 2 Cobblestone meters and Landmark's 1 meter.

Jason presented an Assignment of Water Agreement to the board for signature(s). The form will be revised, spelling out abbreviations, and correct grammar and tense before signing. Jason has been true to his word in helping with the transition of the District from PC to the Board of Directors. Pam will clean up the form and finalize it at the April Meet.

CLAIMS:

Directors' pay - March services	\$	400.00
Secretary's pay - February services		60.00
RR POA - Admin fees	Clarkson/Muniz	2,350.00
Postage		270.00
Ron Edwards - Operator		400.00
Qwest		59.36
MT Microbiological - sewer testing		400.00
Energy Labs		15.00
NW Energy - unavailable		
		<hr/>
	\$	3,954.36

Sharold called for a motion to pay claims., Steve made a motion to pay claims presented, including Ron's pay of \$400, for a total of \$3,954.36. Shawna Verdi seconded and the motion carried.

Maintenance:

Eddie reported that the RR NWest Lift Station has been installed and tested.

Operations:

Ron distributed a handout with recommendations. for new connections.

A drawing has been sent to PC.

Note: PC sold development rights to 1 builder.

card of
BDirectors

Steve said that we, the District ~~BOD~~, need to pass a resolution requiring double sweep T cleanout in new construction. Will address in tonight's New Business.

New assets need to be calculated and documented so it can be depreciated in the future. TD&H and PC can help provide these figures.

REVENUE SUMMARY: Christine provided a printout of February's income.

In addition to identifying a value of the water infrastructure and a separate value of the sewer outlay, the electric meters need to be IDed as Water expense/revenue or Sewer revenue/expense for future audits. The letter to NW Energy should also include authorizing Christine to access any info about the account(s).

Did Jason leave with the letter re: Management Agreement?
DEQ sent permit notification/requirements which will involve some expense to comply.

FINANCIAL: S. Buerkle

The bank can insure all of our CD's over \$100K, not covered by FDIC.

Money Market Acct.	\$100,192.42
Checking Acct.	39,180
plus deposit	12,440
for a total of	\$51,620

Move \$32K to MMA

Board will leave a signed check for Northwestern Energy.

Ask Atty, Susan Swimley, to bill District monthly.

NEW BUSINESS:

Ron will PDF minutes, which will make it easy to find.

Shawna noticed children on roof of pumphouse trashing a bike and 'throwing rocks, and hitting skateboards.

A motion was called for"1) Starting Monday, March 20, 2006, Any new construction to require double sweep T connection in accordance with Ron's recommendations/design, and 2) direct staff to draw up said resolution and have Atty., Susan Swimley look at it and ready to be approved at the April meeting."

Ron will draft theresolution and send it to Swimley.

Steve made the motion to the Board.

Pam seconded the motion. Motion carried.

Discussion re: permit - in the 1970's, water districts were required to have available acres of land to handle any overflow and the sewage would be sprayed and aerated on open acres. PC leased acreage. Is this still required? The Permit has requirements that are going to add expenses. Read up on it and be prepared to discuss at the April meeting. ATT it seems that when the Permit is issued, the lease of 100 acres will not be required.

There being no further business, the meeting was adjourned at 8:44 P.M.

Respectfully_ submitted,

S. R. Whipple
Suzette R. Whipple, Sec.

ATTESTED BY:

Stan Rude
Board Member

WITNESS:

Shawna Verdi

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD

MEETING MINUTES

THURSDAY, FEBRUARY 16, 2006

Present: Buerkle, Rude, Dance, Child

Guests: c. Clarkson, E. Muniz, R. Edwards, Shawna Verdi

The meeting was called to order at 7:12 P.M. by Board President, Sharold Buerkle. Buerkle called for a motion to approve the January 19 minutes. Steve Rude made a motion to accept the minutes as presented. Pam Dance seconded the motion; all in favor, motion carried.

CITIZENS COMMENTS/REQUESTS: S.hawna Verdi, a resident of River Rock, informed the board that she was interested in serving on the District's Board of Directors.

CLAIMS:

Directors' pay - Feb. services	\$ 320.00
Secretary's pay - Jan. services	60.00
RR POA - Admin. fees Clarkson/Muniz	2,350.00
Northwestern Energy (Jan. remaining)	601.03
(February)	3,538.05
Qwest	59.36
Energy Labs 2@ \$15.00	30.00
First West Insurance (1st Qtr. 2006)	1,018.00
Industrial Systems, Inc. (graphite seals/bearings)	121.22
Laura Dunlap - Refund of overpayment (sold house)	20.54
Ron Edwards - Operator	400.00
	<hr/>
	\$8,518.20

Pam made a motion to pay the claims as presented. Steve asked for a new total with the additions of the unbilled electric charges for Feb. and Ron's hours, then seconded the motion. All in favor; motion carried. The Board and Office Manager are trying to pay NW Energy on time.

REPORTS:

Revenue Summary: Christine provided an itemized account of January's billings and deposits. Next month's readings/billings will be later due to Feb. being a short month.

Operations: Ron reported on water usage - running approximately 162 thousand gallons per day. See 5-page report. Ron has been corresponding with Kerry Schmelzer at DEQ about lead and copper sampling for 2006. The number of connections is about to exceed 1200 (with a population density about 3,000) which will change the number of samples. See Section II, Part B on p. 2 of the report.

Ron will get a sample from the commercial village. (Shawna works in the ^{real estate} mortgage office).

The coliform count by the park on Sept. 2005 was 1.0/100 ml.

The Lift Station by River Rock Drive - pulled pump, looked grungy. There are 2 pumps in each lift station, runs less than 2 hours each.

TD&H did a progress check on RRNW. PC Dev. will file for final platte in March 2006 and pave in June. The final platte on Cobblestone shows 2 separate meters. RRCW&SD will send one bill to Landmark per agreement. Water Pump #1 runs all day (24 hrs/7 days). Eddie swapped it with a pump purchased by PC and stored upstairs.

Maintenance: Eddie passed around a picture of the new Lift Station. *at RRNW*

Financial: Sharold provided the Board with balances of the Money Market Acct. - \$84,103.22 and Checking Acct. - \$33,650.93

The Board Members agreed on a transfer of \$16,000.00 from checking to the Money Market Acct.

Note: ~~The \$120,000.00 Certificate of Deposit will roll over in July at a value over \$136,000.00.~~

(Conflict of interest form)

OLD BUSINESS:

Ron sent a copy of ~~The~~ State of Montana's Commissioner of Political Practices to Christine. This form is to be signed by each board member and forwarded to the commissioner in Helena.

Sharold will call Jason Leep (PC Dev.) about reading the meters in Cobblestone. And if Holmes & Turner will do the 3-year audit, will PC pay for 2003 and 2004.

Christine needs Quick Books (And Flash Drive) to maintain records for Holmes & Turner to do the 2006, audit.

Steve drafted a letter to TD & H Engineering and Potter/Clinton Development to send a rep to the March 16 meeting, to discuss fixing the problems with Lift Station #2.

NEW BUSINESS:

The Board of Directors unanimously approved the appointment of Shawna Verdi to the seat vacated by Vicki Riley.

There being no further business this evening, Sharold adjourned the meeting at 8:25 P.M. All in favor. Aye.

Respectfully submitted,

Suzette R. Whipple
Suzette R. Whipple, Sec.

ATTESTED BY:

[Signature]

WITNESS:

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
THURSDAY, JANUARY 19, 2006

Present: Buerkle, Rude, Dance, Riley, Child
Guests: c. Clarkson, E. Muniz, R. Edwards

The meeting was called to order at 7:10 at the River Rock Community Center by S. Buerkle, Board Pres. Secretary, S. Whipple, asked that the December 15 be amended. A motion was needed to pay the December claims. S. Rude made the motion ; V. Riley seconded. All in favor. Motion passed. Steve then made a motion to accept the December 2005 Minutes as amended. Vicki seconded. All in favor; motion carried.

CITIZENS COMMENTS/REQUESTS:

None.

CLAIMS:

Directors' pay - January services	\$ 400.00
Secretary's pay - December services	60.00
RR POA - Admin. Fees Clarkson/Muniz	2,325.00
Operator - Ron Edwards	400.00
Northwestern Energy (Dec.)	3,709.03
Northwestern Energy (Jan.)	2,954.64
Qwest	59.36
Energy Labs 2 @ \$15	345.00
1 @ \$315 (Lead & Copper Test)	
RR POA - postage	11.50
Black Mountain Software - annual maintenance	967.00
DNRC - Water Adjudication Fee	20.00
Montana DEQ - Community Public Water Supply Fee	1,836.00
(918 connections @ \$2 ea.)	
	<hr/>
	\$13,087.53

Steve made a motion to pay claims as presented on the Agenda with the addition of the Northwestern Energy that arrived before the meeting and the hours received from Ron for \$400. Pam seconded the motion. All in favor; motion carried. Claims will be paid for a total of \$13,087.53.

REPORTS:

Revenue Summary - C. Clarkson presented the figures for Dec. 2005. Bills are down due to lower water usage in the winter.

Operations - R. Edwards submitted a report on water usage: 153,000 gal/day.

LandMark is using 25% of water being used (reached 70% of their hookups).

Ron ordered bearings for booster station \approx \$200.

He also needs to order filters and rings.

The Change of Application of Water Use was received and has been approved by the Dept. of Environmental Quality (DEQ).

When complete, there will be a total of 1,500 connections.

Note that LandMark and Cobblestone are not in the RRCW&S District.

Maintenance - Eddie Muniz - TD & H will call when the lift station for River Rock Northwest is installed.

Ron and Eddie want to do a walk thru.

Checking - S. Buerkle

In addition to the \$4,935.24, Cok Wheat Brown was paid \$662.50 for a total of \$5,597.74

We paid \$2,606.25

PC Dev paid 2,991.49

\$5,597.74

(Checking cont.)

Checking Account Balance: \$68,226.27
Money Market Account Balance: \$36,061.44

Transfer \$50,000.00 from checking to the MMA.

Note: The \$70,000 transferred on December 2005 was for November and December.

The 4 CD's are a money cushion. The 6 mos. CD that matured Dec05 earned \$689.38 on \$50,000

OLD BUSINESS:

Attorney Susan Swimley has agreed to be retained as counsel for the district. Note : Ms Swimley now has her own law practice.

Discussion about future expenditures: The district needs a backup generator. The transfer switch alone will be \$25,000. This setup will not provide adequate fire protection; it would need a 100HP pump. As a minimum, the backup should run up to pump #3. It would also to provide power to the lift stations.

If there is a sustained outage, the 150,000 gallon cistern would run out of water.

PC has offered to help with the cost of a backup generator because of their investment in LandMark and Cobblestone.

Pump #2 has a 7.5HP motor and would need phase protection to trip breaker.

Atty. John Brown communicated that there is a form letter re: Conflict of Interest which should be signed by each board member. Ron has a copy and will forward to Christine.

NEW BUSINESS:

Cincinnati Insurance Company, through First West Ins., notified us about a change in the policy affecting acts of terrorism. It is no longer covered.

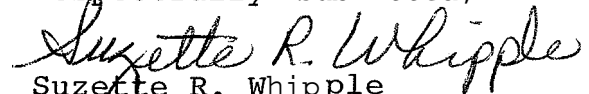
A budget will be done for 2006. Ron recommended using QuickBooks for the budget. Also, Sharold would like to see a comparison of actual expenses compared to the 2005 Budget projections.

Vicki Riley resigned from her seat on the board. She is moving to Missouri.

ADJOURN:

There being no further business tonight, Steve made a motion to adjourn. All in favor. Meeting ended at approximately 9:00 P.M.

Respectfully submitted,


Suzette R. Whipple
Secretary

ATTESTED BY:


Board Member

WITNESS: _____

REVENUE SUMMARY

January 2006

USER TYPE	BILLED	PAYMENTS	ACTUAL DEPOSITS MADE TO RIVER ROCK COUNTY WATER & SEWER DISTRICT	
Vacant - Water	\$0.00	\$0.00	Deposit No. 1	\$4,332.40
Vacant - Sewer	\$0.00	\$0.00	Deposit No. 2	\$1,377.89
Site Built - Water	\$8,571.58	\$9,429.68	Deposit No. 3	\$1,195.79
Site Built - Sewer	\$12,144.83	\$13,096.59	Deposit No. 4	\$1,321.85
Site Built - Late Fee	\$52.23	\$112.11	Deposit No. 5	\$882.40
Mfg. Home - Rental - Water	\$1562.40	\$11721.52	Deposit No. 6	\$1,297.26
Mfg. Home - Rental - Sewer	\$2,300.01	\$2,619.99	Deposit No. 7	\$1,342.04
Mfg. Home - Rental - Late Fee	\$9.27	\$23.78	Deposit No. 8	\$1,021.42
Mfg. Home - Land/Home - Water	\$603.62	\$652.53	Deposit No. 9	\$1,914.62
Mfg. Home - Land/Home - Sewer	\$908.80	\$1,007.92	Deposit No. 10	\$983.08
Mfg. Home - Land/Home - Late Fee	\$6.68	\$7.51	Deposit No. 11	\$1,215.65
Commercial Location - Water	\$150.00	\$150.00	Deposit No. 12	\$1,726.21
Commercial Location - Sewer	\$69.20	\$71.95	Deposit No. 13	\$1,238.58
Commercial Location - Late Fee	\$0.00	\$0.00	Deposit No. 14	\$1,123.19
School - Water	\$357.13	\$357.13	Deposit No. 15	\$5,537.30
School - Sewer	\$57.79	\$68.24	Deposit No. 16	\$1,237.68
Condominium - Water	\$1,186.86	\$1,209.45	Deposit No. 17	\$1,075.78
Condominium - Sewer	\$1,442.06	\$1,445.69	Deposit No. 18	\$1,123.83
Condominium - Late Fee	\$6.06	\$4.62	Deposit No. 19	\$1,261.52
Irrigation Meters - Water	\$0.00	\$0.00	Deposit No. 20	\$983.90
Irrigation Meters - Late Fee	\$0.00	\$0.00	Deposit No. 21	\$1,034.28
Multi Family - Water	\$739.28	\$761.46	Deposit No. 22	\$1,019.20
Multi Family - Sewer	\$577.83	\$579.33	Deposit No. 23	\$1,485.09
Multi Family - Late Fee	\$1.48	\$0.81	Deposit No. 24	\$1,461.51
Totals	\$30,747.11	\$33,320.31	Deposit No. 25	\$1,326.26
			Deposit No. 26	\$1,025.92
			Deposit No. 27	\$988.91
			Deposit No. 28	\$981.00
			Deposit No. 29	

Site Built has overpayment/other of \$992.97
 Land/Home has overpayment of \$34.12
 MHC Has an overpayment of \$163.03
 Irrigation Meters has overpayment of \$
 Multi-Family overpayment of \$
 Condominium overpayment of \$91.78

Total overpayments \$1,281.90

Grand Total of Deposits \$34,602.21

Total Accounts Billed 867

TOTAL MONTHLY DEPOSITS: \$35,804.27

<u>LANDMARK:</u>		<u>Gals. Used</u>
Oct - Nov	Billed:	\$2,612.50
	Paid:	\$2,612.50
		1200000
Nov - Dec	Billed:	\$2,625.00
	Paid:	1260000

Thomas, Dean, & Ho&ins

After experiencing many problems with Sewer Lift Station #2 over the last year and a half, the River Rock County Water & Sewer Board has determined that it would like to pursue whatever is necessary to fix the problems.

Jim Pierce told us at one of our monthly meetings that the design for this lift station was flawed—in particular, the location of valves. He also mentioned that the construction was not completely inspected and that there may have been some faulty component installation.

The District's desire is to rectify the situation as quickly and as simply possible with a minimum amount of fuss. Therefore, the District proposes that TD&H provide a complete design, cost estimate of all labor, fees, etc., and project oversight. The District further proposes that it will contribute one-third of the cost of the project, to a maximum of \$4000, as long as TD&H and PC Development will make the same offer.

This is a situation that must be fixed soon for the long-term viability of the District. We look forward your response and a quick remedy.