

RIVER BLUCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
THURSDAY, DECEMBER 18, 2008

PRESENT: Sharold Barkle, Dan Child, Steve Rude, Ron Squyres
ABSENT: Shawna Verdi
GUESTS: Christine Clarkson, Ron Edwards

At 7:00 P.M. the meeting was called to order on the porch of the PDA Office. Shawna has the key and she was out of town for her father's funeral. Steve moved the meeting to the library at the Ridgeview Elem. School. Christine posted a sign and everyone regrouped at the school.

7:25 P.M. - the meeting was called back to order. The minutes from November were read; Steve made four amendments -

The guest list taken at the Public Hearing was misplaced and later found. The complete list of guests is as follows:
Christine Clarkson, Ron Edwards, J.J. Jacks (V.P., CBS HOA),
Chris DeShazo, Jennifer Smith, Sue Loewen, B. Brody,
Nina Nelson, Tori Saunders Santos (Pres., CBS HOA),
Steve & Kerri Cobb, Ian Johnson, and Teri Burrows.

p.1 of 5: Last sentence should read, "Cobblestone is billed by its HOA and Landmark is billed by the Landmark Water Co. controlled by Potter Clinton Development."

p.3 of 5: Second sentence - loan debt should read
\$5,200,000.00 (\$4,967,000.00 as of Jan. 1, 2005).

p.4 of 5: Operations - Change second sentence to read:
"Chlorination levels are okay".

Ron made a motion to accept the minutes with proposed amendments. Dan seconded the motion.
4 ayes, 0 nays; motion carried.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - December services	\$ 400.00
Secretary's pay - November services	60.00
Office Manager - Christine Clarkson	2,150.00
Office expenses - phone	40.00
toner, CDs, flash drive	452.49
Maintenance - Eddie Muniz	560.08
Berg, Lilly & Tollefsen - legal fees	765.63
Bozeman Daily Chronicle - posting Public Hearing	107.20
Bridger Analytical Lab - \$764 effluent nitrates.	1,064.00
+ \$150 + \$150 =	
T D & H - Groundwater Discharge Permit	1,972.00
NorthWestern Energy	+ 6,621.48
	<hr/>
	\$14,192.88

The board accepted all claims presented.

REPORTS:

Revenue Summary - Christine Clarkson
see spreadsheet

Financial - Steve Rude
\$77,754⁺ in checking
\$318,358.00 Money Market for bond payments
due Jan. 1, 2009
\$48,500.00 transfer to Money Market Acct.

Maintenance - Eddie n/a

REPORTS: (cont.)

Operations - Ron Edwards

- . Nov. 24, around 9:30 P.M., River Rock lost power causing the motor to blower #1 to fail. Adding the 3rd blower proved to be a smart move, as it was used to replace #1.
At the booster station, pump #3 tripped a fuse and well #1 was down. The motor was tested and found to be faulty. While removing the motor, part of the well pump broke off. New pump is in the booster station building and will be installed after the holidays. The District will file an insurance claim.
- . Monday morning, Dec. 15th, the water well was down to 2 ft. Eddie used the reset button to restart and it has been running fine since. Water to RR residents was interrupted and a health advisory was issued by DEQ, later to be rescinded.
For more details on these outages, see Ron's Operator's Report for December.
- . Luella called Ron, "What's going on?"
- . Shelley Nolan is the new Director DEQ for Montana.
- . Steve O'Neal is the operator for Cobblestone.
- . Torri Santos and J.J. are the Directors of Cobblestone HOA.
- . Dave Potts of Potts Drilling is removing their pump from the well.
- . Chlorination power is tied to Well #1.
- . It's cheaper to buy a new pump than to repair.

OLD BUSINESS:

The board gave consideration to several good points brought up at the Public Hearing. Discussion followed.

Dan - Cobblestone's increase is greater than RR.

Steve - RR 33%, LM 40%

Ron - half increase this year and half in 2010
and level out in 2011

Christine - tier increase

Steve quoted J.J. - up my base so I know what I owe

Ron - don't tier, too complicated; raise base rate only

The budget has increased from \$550K to \$800K

Sha - agrees that we should do half & half

Ron - with base rates the same, run with that for a yr.

Steve - 17% ^{margin} ~~margin~~ to meet goals, why the 33% increase?

Drop Landmark to \$17.50 - base is constant

At \$1.70 per, return to 750 gal. vs 1,000 gal.

Rec - check numbers every year

Ron - \$10 per 1,122 connections (includes some irrigation meters) would produce \$144K from RR's projected 1,200 hookups

\$5 increase overall for RR, LM, CBS would be \$90K in revenue for 1,500 hookups

A consensus was reached -

RR	\$17.00 base for water	LM/CBS	\$18.00 base/water
	1.60 per 1,000 gals.		1.60 per 750 gals.
	20.00 base for sewer		
	1.00 per 1,000 gals.		

OLD BUSINESS: (cont.)

Dan moved to adopt the rates discussed effective Jan. 1, 2009.
Ron seconded the motion.

Discussion: the new rate structure should be effective the
first reading in Jan., Christine suggests.

Sharold and Ron agreed 'as soon as legally possible'.

Susan will look it over. Main motion is amended to become
effective as soon as legally possible.

Steve took a vote - All in favor of proposed rates?

4 ayes, 1 absent. Motion carried.

Forward information to John Kauffman.

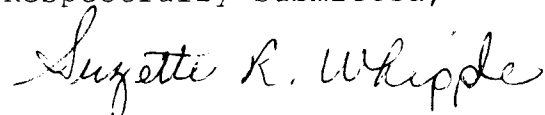
Ron Edwards still needs to scan signed minutes when they
return.

NEW BUSINESS:

Steve and Dan will go to the bank the Monday after Christmas
to transfer funds for the bond payments.

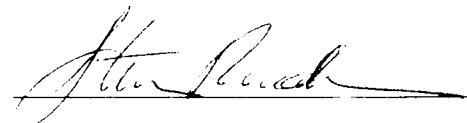
Sharold made a motion to adjourn the meeting. All in favor.
Meeting ended at 9:20 P.M.

Respectfully submitted,



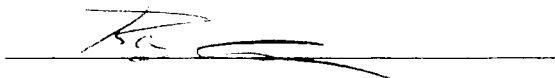
Suzette R. Whipple. Secty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES &
PUBLIC HEARING
Thursday, November 20, 2008

PRESENT: Rude, Verdi, Child, Buerkle, Squyres

GUESTS: Christine Clarkson, Ron Edwards, J.J. Jaks, Chris Deshazo,
Jennifer, Sue, Brode (incomplete list)

The meeting was opened at 7:05 P.M. by Board Pres., Steve Rude.

A motion was made to accept the October 23, 2008 minutes by
Ron Squyres ; Shawna Verdi seconded the motion.
Motion carried.

A second motion was made to accept the October 30, 2008 minutes
from the Workshop. Motion made by Dan Child was
seconded by Shawna Verdi . Minutes were accepted as
presented.

Citizens comments/requests: None.

Public Hearing - for the purpose of taking public comment on
the proposed change in water and sewer rates.

Ten or more guests were at the hearing representing Cobblestone
Subdivision, and River Rock Subdivision. The Pres. and V. Pres.
of the Cobblestone HOA were in attendance and provided some
valuable information.

Steve Rude opened the hearing with some background about the
rates. The rates were set by the State and have not increased.
River Rock is near build-out, as well as Landmark and Cobblestone.
Expenses are rising: upgrades, permit requirements, and
maintenance/replacement of a system that is 10 years old and
an infrastructure that is older.

The first to speak was J.J. - V.P. of the Cobblestone HOA.
He just heard about the rate increase and meeting. Cbs and
LM are billed by the Landmark Water Company controlled by

Public Hearing (cont.)

Potter Clinton Development. Christine had notified the RR customers and the LM HOA officer manager. PC (dba Landmark Water Co) sets the rates for their customers, higher than billed by RRCW&SD. J.J. said their bills are already too high. Jennifer - Pres. of the CBS HOA, spoke for the residents at CBS.

Ron Edwards-Operator did a presentation with an introduction giving historical data on LM & CBS. (He did not^o have any monthly breakdown data as LM is billed for all water that flows through one meter). There are presently 1,122 connections in RR (1,200 projected). The rate structure model is based on data to meet budget demands.

Jennifer asked, "Why is LM/CBS being charged higher rates"?

Sharold explained, "there are few irrigation meters in RR so customers are paying for sewer for irrigation".

Sue lives in CBS and talked about their lawns. Each home is on a $\frac{1}{2}$ -acre lot. The lawns are newly sodded and need lots of water. Many residents have cut back on sprinklers and the grass is brown.

Jennifer talked about the 6,000 gal. allowance at the base rate. It is not enough to keep their lot green in the summer. She stated that the increase is too much and the timing is bad considering the economy. She has thought of contacting DEQ about drilling wells for irrigation, but would prefer to get the water via RRCW&SD.

Steve asked for other concerns. Brode from RR asked, "where is the increase in expenses?"

Sharold answered his question: The original builds in RR (Valley Meadows) started in 1978, west of the pond. Twenty years later, P.C. Dev. developed RR, LM, and CBS. The RRCW&SD was created with rates set up by the State in 2001.

Public Hearing (cont.)

In 2005, P.C. turned over the water district to the Board of Directors already in place. Along with ownership, came \$10,000,000⁺ in loan debt.

Steve explained that conditions of the loans include capital funds must be on reserve. The district must be in compliance. Rates must reflect an income that produces enough revenue to meet financial obligations.

Chris lives in CBS - said it's the trickle down effect.

Steve called for last comment.

He said no decision would be made ATT and their comments would be considered, especially a call for partial increase over a period of time. Public Hearing closed. 10 min. break.

8:30 P.M.

8:40 P.M. Resume meeting.

CLAIMS:

Directors pay - November services	\$ 400.00
Secretary's pay - October services	60.00
Christine Clarkson - Office Mgr.	2,150.00
Phone	40.00
Expenses	102.75
Eddie Muniz - Maintenance	400.00
Ron Edwards - Operator	1,187.50
Bridger Analytic Lab - \$150 + \$25 + 2@ \$100	375.00
Kasting, Kauffman & Mersen, P.C. - Atty. fees	1,528.52
Susan Swimley - Atty. fees	78.00
Northwest Pipe	83.20
Steve Ross - Repair broken curb stop	500.00
Lazarus Const. - Complete work at blower bldg.	150.00
First West Insurance - Quarterly	1,022.00
AWWS - Repair/refurbish pump #2	6,985.25
Ron & Anna Piston - ref. for op at closing	118.80
Michelle Deming - " "	23.04
Gail Reysa - " "	+ 11.08
	<hr/>
	\$15,215.14

Claims (cont.)

Shawna made a motion to accept the claims presented. Ron S. seconded the motion.

Discussion: The broken curb stop was leaking on the median's grassy divider and running into the street, located at the entrance of River Rock before the Community Center. Is this a POA responsibility? The Board accepted the expense and passed the motion 5-0.

REPORTS:

Revenue Summary - Christine Clarkson

The spreadsheet reported a good income.

Financial - Steve Rude

\$107,960.00 in checking. Transfer \$70K to MMA.
John K. took a deposition from Steve - hopefully things will settle soon.

Maintenance - Eddie Muniz (not available)

Ron E. said that Eddie ^{replaced} some belts and other parts.

Operations - Ron Edwards

A letter from TD&H, along with Ron's thoughts, was forwarded to DEQ. Chlorination requirements are still undecided or resolved. The readings show chlorine residuals.

Ron said he needs a booster station tester.

Chlorination is being done full-time because the State is requiring it.

Mixing zone would need to be on private property?

OLD BUSINESS: Items discussed in the reports.

NEW BUSINESS: Funding options for future system improvements -

Dan has been looking into applying for grants . There is a program called Community Block Development to improve services. We need to get in cycle with the Montana Legislature which meets Jan '09 and then again in Jan. '11. Application would take time, could be ready for session in 2011. When permit is issued, compliance will kick in and there would be a good chance of getting a grant. Contact TD&H when we hear from DEQ.

Insurance coverage update - Ron S. has been talking with our agent regarding infrastructure coverage. Gig has been looking at language with Valley Meadows vs River Rock.

Ron called Ty - Why isn't Cincinnati paying bills?

Layna said that the bills are not being sent to the correct office. John K. received an e-mail from Cincinnati to submit bills directly to them. Hopefully this situation will resolve itself or the district will go after Cin. Ins.

A motion was made to adjourn the meeting by Shawna. All in favor. Meeting ended approx. 9:30 P.M.

Respectfully submitted,

Suzette R. Whipple, Secty.

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT

Board Meeting Minutes

Thursday, October 23, 2008

Present: Steve Rude, Shawna Verdi, Sharold Buerkle,
Ron Squyres, Dan Child

Guests: Christine Clarkson, Ron Edwards

Due to a scheduling conflict, the meeting was rescheduled a week later. Meeting was called to order by Board Pres., Steve Rude, at 7:04 P.M. Steve called for the previous month's minutes to be approved. Dan asked that Pete Smith's on page 4 be corrected to read Pete Schmidt. Ron Squyres made a motion to accept the minutes of September 18, as amended. Shawna Verdi seconded the motion; motion carried.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - October services	\$ 400.00
Secretary's pay - September services	60.00
Christine Clarkson - Office Manager	2,150.00
Office expenses - phone	40.00
Eddie Muniz - Maintenance	525.00
Ron Edwards - Operator	450.00
Kasting, Kauffman, & Mersen, P.C. - Atty. fees	73.81
Postmaster	837.00
Bridger Analytical Lab - water sampling tests	1,410.00
\$150 + \$100 + 760 + \$400	
NorthWestern Energy - October power (EZ Pay)	9,869.11
	<u>+ 8,091.77</u>
	\$23,906.69

Motion to pay claims was made; all in favor - motioned carried.

REPORTS:

Revenue Summary - Christine Clarkson presented the printout for September 2008.

Financial - Steve showed \$75,678.69 in the checking account plus Christine has \$2,700 in payments ready to go to the bank, \$30,000 from Landmark and checks from the mail. Subtracting \$24,000 for October's claims, and a \$20,000 minimum balance leaves \$70,000 to be transferred to the Money Market Acct.

Three Certificates of Deposit rolled over. The interest rate was increased to 3.1%. Thanks Dan for meeting with Mr. Schmidt of Big Sky Western Bank.

Maintenance - Eddie not present.

Note: Christine said there were no problems. However, a house on Sibley is in foreclosure. Someone tampered with District property. Vandalism, tampering with or bypassing the meter is addressed in the new rate structure penalty section as well as the Rules & Regulations.

Operations - Ron Edwards presented the Water Report for October 2008. Water usage is dropping as Fall and Winter approach.

See Table in Water Report for lead and copper samples tested September 25. Copper is below allowable levels. Lead is marginable; pipes have lead solder. Use of water softeners affects wastewater sampling.

NEW

BUSINESS: New Rate Structure - Ideas were tossed around.

Here are a few: 1. Rate revenue needs to include -

Landmark/Cobblestone with an increase.

2. Sharold - combine base rates, with increase.

3. Steve - even up base rates.

4. Ron E. - will run these numbers/changes on computer to show how it affects revenue.

NEW BUSINESS (cont.)

Sharold suggested that more meters be added - 3 for sewer
2 for water.

Ron E. would like for the board to meet before the
public hearing to continue discussion. He will do a
presentation of the ideas presented at this meeting.

The Public Hearing will be scheduled at the regular
monthly board meeting, November 20, 2008. The meeting
place will be Ridgeview Elem. School.

The Workshop was scheduled a week later, October 30.

Christine will send postcards to all customers giving
time, place, and reason for hearing. It will be published
in the paper and signs will be posted in their usual spots.

Motion was made to close the meeting by Dan. Ron seconded.
The board will receive an update on litigation.

All others left at 8:35 P.M.

Respectfully submitted,

Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS:  _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT

Board Meeting Minutes

Thursday, September 18, 2008

Present: Shawna Verdi, Ron Squyres, Dan Child, Sharold Buerkle
Absent: Steve Rude
Guests: Christine Clarkson, Eddie Muniz, Ron Edwards,
Don Brigham (Brilliant Electric)

The meeting was called to order by Vice-Pres., Shawna Verdi, at 7:05 P.M. Dan Child made a motion to accept the August 21, 2008 minutes as presented; Ron Squyres seconded. Motion passes as carried with a vote of 4 - 0.

CITIZENS COMMENTS/REQUESTS:

As a courtesy, the board gave the floor to Don Brigham at this time. Don is owner of Brilliant Electric and has done electrical work on the pumphouse. He gave a rundown on the work done:

Wellhead#1 - considerable oxidation on wires; put in a slip coupler and expansion coupler for flexibility.

Wellhead#2 - pipe has shifted, so he put in a heavier pipe.

Northside conduit - repaired damage and protected it better (wires run 450 volts). Don knocked off a few rocks. Recommended placing a wooden enclosure for protection.

Security light was tabled; direction is the problem.

There were no other citizens comments/requests.

CLAIMS:

Directors' pay - September Services	\$ 400.00
Secretary's pay - August services	60.00
Christine Clarkson - Office Manager	2,150.00
Telephone	40.00
Eddie Muniz - Maintenance	300.00
Ron Edwards - Operator	490.00
Bridger Analytical Lab - \$100 + \$150	250.00
Berg, Lilly & Tollefsen, P.C.	3,731.50
Kasting, Kauffman, Mersen - Atty. fees	2,311.41
AWWS - Pump #1 rebuild	5,560.85
Scenic City Enterprises - cleaning lift stations	1,337.50
\$802.50 + \$535.00	
Power Service of Montana - check valve	718.50
Kelly Baker-Green - reimb. for over-pay of final bill	157.05
Brilliant Electric	+ 1,530.00
	<u> </u>
	\$19,036.81

Ron made a motion to pay claims presented; Dan seconded;
motion passes as carried 4 - 0.

REPORTS:

Revenue Summary Christine Clarkson

Christine presented the list of billings and payments. She also recently sent out Shut-off Notices and provided a list to the Board. There is one delinquent tenant (owner) who asked for consideration. His tenant fell behind on rent payments and the water. The owner asked that the water be turned off in June '08. Therefore, the Board agreed to deduct \$209.11 (June & July). Christine will draft a letter and according to Rules & Regulations, \$436 must be paid before the water can be turned on.

Financial - Shawna Verdi

The balance of the checking account is \$49,562.43. Christine has an additional deposit in the amount of \$14,118.47 from the mail ready to go to the bank. Transfer \$25,000.00 to the Money Market Account.

Maintenance - Eddie Muniz

Pump#1 was repaired/rebuilt and reinstalled. Wastewater Pump#2 will also be rebuilt, the impeller is shot.

Operations - Ron Edwards

Ten (10) Lead and Copper samples are due next month. Meter readings indicated an increase of water usage at River View Elementary School since school reopened in late August. The Gallatin County Dept. of Health is having a meeting Sept. 24. Jenny Chambers from DEQ Permitting and Ron Edwards plan to attend.

OLD BUSINESS:

Care & Quality will be called in the Spring to spray the weeds around the lagoon and fence.

NEW BUSINESS:

At the October meeting, a Public Hearing will be scheduled for sometime in November. Contact Susan Swimley - invite her to the Public Hearing. The purpose of this hearing is to approve/adopt the new rate structure that will provide adequate funding of the 2009 and future budget needs. The meeting needs to be held at the River Rock POA Community Center.

NEW BUSINESS: (cont.)

The draft of the Discharge Permit had not been received in time for the meeting.

Vehicles have been parking in front of the E. Vela Lift Station. This is a violation of River Rock POA Covenants. Service trucks may not have access in case of a breakdown. It was suggested to have the curb painted so cars will not park in front of the lift station.

Street curbs are the jurisdiction of the RR POA. Shawna will speak to the POA Board Member(s) about painting the curb.

Dan made a motion to get permission from RR POA to paint the curb in front of the lift station on E. Vela.

Sharold seconded the motion. Motion passed 4 - 0.

Dan spoke to Pete ~~Smith~~ ^{Schmidt} at Big Sky Western Bank. Mr. ~~Smith~~ ^{Schmidt} stated that the bank is solvent. Two of the CDs are over FDIC limits. Actually, they are guaranteed by a second bank.

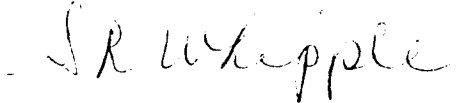
Note: This has become a moot, yet still important, point as the FDIC limits have been raised after the financial crisis in Sept/Oct 2008.

The board asked Dan to request the option of cashing in a CD in case of a financial emergency.

and Ron seconded,

Dan made a motion to close the meeting to the public to discuss update on litigation. The meeting was closed at 8:40 P.M. pursuant to Section 2-3-203(4) MCA.

Respectfully submitted,



Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT
Board Meeting Minutes
Thursday, August 21, 2008

Present: Steve Rude, Shawna Verdi, Ron Squyres, Dan Child,
Sharold Buerkle

Guests: Barb Clarke, Mark R. Dobrenski, Tyrell Del Grande,
Christine Clarkson, Eddie Muniz, Ron Edwards

The meeting was called to order at 7:03 P.M. by Board Pres.,
Steve Rude. Ron Squyres made a motion to accept the July 17,
2008 minutes as written. Shawna Verdi seconded the motion.
Motion carried.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors pay - August services	\$ 400.00
Secretary's pay - July services	60.00
Suzette Whipple - Office supplies	26.27
Christine Clarson - Office Manager	2,150.00
Office supplies (incl. phone)	535.00
Eddie Muniz - Maintenance	550.00
Ron Edwards - Operator	570.00
Bridger Analytic Lab - 1@ \$125 + 2 @ \$150 + 1 @ \$215 =	490.00
Northwest Pipe (Replacement reader pads)	156.10
Kasting, Kauffman & Mersen, P.C. - Atty. fees	4,487.58
First West Insurance - 3rd Qtr. installment	1,022.00
Postmaster	459.00
Janice Rumph - Reimb. for op of final bill	19.35
Rebecca Fabich - Reimb. for op of final bill	30.84
Dana Beyer - Reimb. for op of final bill	+ 31.30
	<hr/>
	\$ 10,987.44

Lazarus was paid \$1,700, half of work on lagoon fencing
repairs.

REPORTS:

Revenue Summary - Christine Clarkson

Christine read meters today. There is a surplus of \$40,000 in payments. (See Financial Report.)

Financial - Steve Rude

\$69,353.20 in the checking account, a surplus of \$40,000. Christine has \$11,121⁺ in deposits. With more payments coming in this month, transfer \$60,000 to the Money Market Account.

Maintenance - Eddie Muniz

A lift station pump went out and LS #1 is running with one pump. Pump #2 also needs a rebuild. The soft start burned up Pump #1 (10 years old). Lift Station #1 was cleaned. NRR is getting dirty. A power glitch caused a water shut-off in one area of River Rock. Water Pump #5 (fire suppression) has an electrical problem - keeps failing. Refurbished pumps can last another 7 years.

Operations - Ron Edwards

See printout of report, Attachment B is a letter from Jim Pierce (TD&H). He is picking up the ball on chlorination system installed 4 years ago. The letter was addressed to Montana DEQ, Attn: Matthew Waite. Matt's response is not know ATT. Water samples were taken for Mg, etc. to complete his analysis.

Wastewater - Ron will test the calibration on the flow meter.

Wastewater Discharge Permit - Dan, Sharold, and Ron E. met with E. Regensberger and J. Chambers August 20. DEQ will issue a draft of the permit, advertise and hold a Public Hearing for public comment.

Mixing zone - must be 500 ft. off discharge.

Sharold wants an answer - Can the District expedite the mixing zone before the WW Disc. Permit is issued?

Another monitoring well is needed further out or

Nitrogen levels will continue to read high.

Mechanical treatment would be complex and expensive and would need space.

Upgrades to reduce nitrogen levels and BODs would cost about \$500K. Nitrates are high because this area was used for dairy farming and agriculture.

OLD BUSINESS: Weeds (to be decided at next month's meeting).

NEW BUSINESS:

Dan made a motion to accept the bid from Lazarus in the amount of \$3,400 to repair and paint the fencing around the lagoon. Shawna seconded the motion and Board voted unanimously - motion carried. Lazarus will be paid \$1,700 to begin project.

Pumphouse repairs (electrical) - fix conduit and box in the back. When done, the well would need to be shut down. (At a time of low water demand). The security light needs to be redirected away from the north. (Bothering residents of condos). Gallatin's bid was for 2 options. Don Brigham with Brilliant Electric checked the panel and did a thorough walk-thru. Comparing both bids, a minimum of \$1,500 for repairs of conduit and new metal box.

Shawna made a motion to accept Brilliant Electric's bid. Sharold seconded.

Discussion: Ron S. said "Do this for no more than Gallatin's bid."

Sharold amended the motion to keep cost no more than \$1,500 if Brilliant Elec. is willing to agree.

Ron S. seconded the motion to amend.

The Board voted - all ayes to motion as amended.

Budget - Ron E. presented budget revision (copy enclosed).

Christine sent Ron E. a report on Black Mountain, printed July 17, 2008 for past 6 months.

For each connection, it showed avg.gal/mo. This was done to determine a fair and equitable rate structure to meet the District's expenses and requirements for a reserve account.

All other business taken care of, Dan asked that the meeting be closed to the public to discuss update on litigation.

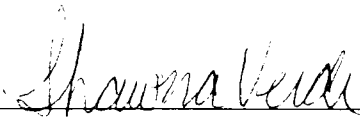
The meeting was closed at 8:11 P.M. pursuant to Section 2-3-203(4) MCA.

Meeting adjourned.

Respectfully submitted,


Suzette R. Whipple
Secretary

ATTESTED BY:


Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
THURSDAY, JULY 17, 2008

Present: Steve Rude, Shawna Verdi, Ron Squyres
Absent: Dan Child, Sharold Buerkle
Guests: Christine Clarkson

The meeting was called to order shortly after 7:00 P.M.
by Board Pres., Steve Rude. The previous month's minutes
were accepted.

CITIZENS REQUESTS/COMMENTS: None.

PUBLIC HEARING: To accept public comment on adopting a budget
for the River Rock County Water & Sewer District.
First call: no response as no one from the public was present.
Second call. Third call. Hearing closed.

Budget discussion: An e-mail was received from Jim (TD&H)
regarding chlorination cost: \$11,300 for 3 months.

Chlorination was not done between positive test and
4 repeat tests. Chlorination during winter is less because
of less flow. Based on the proposed budget, an increase
of \$8.00 per connection (1,490 connections) would close the
gap between income and rising expenses. Landmark's
billing will also be increased.

The Board members present, tweaked the line-items of the
budget, saving at least \$17,000.

At 8:05 P.M., Ron Edwards called Rosie about the principal
of the CDs, the interest, and the purchase of electrical
power.

There are 5 meters with NorthWestern Energy. Track power
usage separately for water and sewer.

Ron E. will reprint the budget proposal with changes and
bring it to the August meeting.

Further calculations resulted in proposing a \$7.06/mo. increase in each RR conn. (1,125); \$5.00/mo. per connection in Landmark (240); and the same for Cobblestone (93).

The goal of the District is to have residents cut down on usage.

Shawna made a motion to accept the budget as amended. Ron S. seconded. No further discussion. All in favor of adopting budget.

Ron E. will create a rate model to develop the rate increase. There will be further discussion at the August meeting. Before the September 18th meeting, Christine will do a mailing announcing a Public Hearing to adopt the budget and will go into effect in October 2008. Shawna recommended that all discussions of changes, e.g., fines, base rate, etc., be decided before having a hearing. Invite Atty. Susan Swimley to the hearing.

CLAIMS:

Directors' pay - July services	\$ 400.00
Secretary's pay - June services	60.00
Christine Clarkson - Office manager	2,554.00
Office expenses	253.27
Printing	253.04
HACH Order (probe meter)	1,399.95
Postmaster	462.00
Bridger Analytical Lab (\$150 + \$100 + \$100 + \$764)	1,114.00
Northwest Pipe - meters	2,288.40
TD&H - Water tank hood (vent cover)	393.00
Lazarus Construction - repairs/paint	2,804.98
Susan Swimley	9.75
Eddie Muniz - Maintenance	325.00
Ron Edwards - Operations	690.00
Kasting, Kauffman & Mersen - Atty. fees	2,546.05
AWWS - NWRR Lift Station	570.00
Bozeman Daily Chronicle - Public Hearing	161.20
	<u>\$16,284.64</u>

In addition to these expenses are monthly charges for electrical power from NorthWestern Energy. Shawna made a motion to pay claims presented; Ron seconded. 3 ayes, motion carried.

REPORTS:

Revenue Summary - Christine Clarkson
See spreadsheet printout.

Financial - Steve Rude - transfer \$21,000 from checking
to Money Market Acct.

Maintenance - Eddie not available


Operations - Ron Edwards
Water usage is just under 2,000,000 gallons per day.
See July Water Report for more info.
New sod has been placed on lots in Cobblestone -
will need irrigation.

OLD BUSINESS: none.

NEW BUSINESS: Table bids on fixing fence(s).

The meeting was closed - Board Members remained to discuss
the status of litigation. (approx. 8:30 P.M.)

Respectfully submitted,


Suzette R. Whipple, Secretary

ATTESTED BY: _____
Board Member

WITNESS: *Sharon R. Beck*

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
THURSDAY, JUNE 19, 2008

Present: Steve Rude, Dan Child, Shawna Verdi, Ron Squyres
Absent: Sharold Buerkle (arrived 7:35)
Guests: Christine Clarkson, Eddie Muniz, Ron Edwards
(arrived 7:50)

The meeting was called to order at 7:09 P.M. by Steve Rude.
Dan Child made a motion to accept the minutes as presented;
Shawna seconded and the Board voted 4 - 0.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - June services	\$ 400.00
Secretary's pay - May services	60.00
Christine Clarkson - Office Manager	2,150.00
Bridger Analytical Lab - \$150 + \$100	250.00
Holmes & Turner - 2007 Audit	3,675.00
Care & Quality Spraying Service - weeds	1,275.00
Kasting, Kauffman & Mersen - Atty. fees	3,465.51
Susan Swimley - Legal services	483.71
Bozeman Printing Co. - envelopes	222.44
T D & H - Wastewater System inspection	1,530.20
Bozeman Daily Chronicle - Audit publication	32.60
A W W S	100.00
NorthWestern Energy - May	2,203.00
Ron Edwards - Operator	588.47
	<hr/>
	\$16,435.93

Shawna made a motion to pay all claims; Dan seconded.
The vote was 4 ayes, 0 naves. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson

LandMark's meter reading is one month behind, which accounts for balance due on report.

Financial - Steve Rude

\$31,000⁺ in checking; transfer \$12,000 to Money Market Account. MMA has funds for bond payment due end of June. The account will rebuild for the next bond payment due December '08. Dan and Steve will go to bank on Tuesday. A \$100,000 CD will mature on June 21st and will be renewed for another 6 months.

Maintenance - Eddie Muniz

The fuse blew on alarm on Lift Station. The lift station at NW RR is getting checked for voltage. The amount of debris in lift stations is down.

Operations - Ron Edwards

See report. Regarding the vent cover: Steve asked, could you rivet it to the mount?

Ron - keep the structure's profile low and paint a dull color.

Operations have been smooth, it's been a quiet month. Called Jim Pierce at T D & H re: Consumer Confidence Report. Bridger Analytical Lab, Inc. generated the Annual Drinking Water Report this month.

Look for report on flow by Gary Hendricks. Gary wants to sample for dissolved oxygen. A probe meter would be needed, approx. \$1,300. Ron would like to purchase one to sample lagoon and to get BODs down. Flow is 140 - 165K gallons per day.

Operations - (cont.)

Dan made a motion to purchase a probe to do testing.
Ron S. seconded. All in favor; motion carried.
Christine will order the instrument.

OLD BUSINESS:

Steve attended the Parks Commission meeting this week. The Commission made a determination that existing fences can stay. Any further changes - just present to Parks Commission.

Shawna - the POA Board is all for cutting the grass inside the fence around the pumphouse. After a little miscommunication, the grass was cut (again on July 7). Dandelion weeds need to be killed. Eddie will spray.

Lazarus Construction is coming out in the evening and on weekends to do repairs on the pumphouse and blower bldg. He has it prepped for painting - and will do the painting.

NEW BUSINESS:

Budget - Christine talked to Rosie to get a financial report printed in layman's language. From there, Christine will develop a budget, have Rosie look it over, then present it to the Board.

A Public Hearing will be scheduled into the July meeting. A notice will be published in the newspaper and signs will be posted around River Rock as meeting nears. The Community Center will be reserved to accommodate interested residents.

After public input, the Board wants to adopt a budget (for many purposes) to determine if a rate increase is warranted to build a reserve. In addition to the Consumer Confidence Report, a letter is being sent to remind residents to conserve water by an odd/even watering schedule.

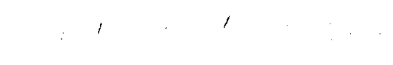
NEW BUSINESS: (cont.)

First West Insurance (Cincinnati Ins.) doesn't want to pay for lawsuit under the D & O policy. So, the District may have to sue 1st West. John K. recommended Gig Tollefsen with Berg Lilly & Tollefsen.

Ron S. motioned to engage Gig A. Tollefsen as legal counsel for insurance claim with Cincinnati Insurance (First West Ins.). Dan seconded the motion. With a vote of 5 ayes and 0 nays, motion passed.

There being no further business, Ron S. motioned to adjourn meeting. All in favor, meeting ended at 8:26 P.M.

Respectfully submitted,


Suzette R. Whipple
Secretary

ATTESTED BY: _____

Board Member

WITNESS:  _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
THURSDAY, MAY 15, 2008

Present: Steve Rude, Dan Child, Sharold Buerkle, Ron Squyres,
Shawna Verdi

Guests: Christine Clarkson, Shannon Lester

The meeting was called to order at 7:12 P.M. by Steve Rude,
Board President. Dan made a motion to accept the minutes
as presented for April 17, 2008; Shawna seconded. The vote
was 4 ayes, 0 nays.

CITIZENS COMMENTS/REQUESTS: Shannon Lester presented a letter
to the Board regarding her concern about incidental insurance.
Response: Yes, the District has adequate coverage per Agent,
Tyler Delaney, with First West Insurance.

CLAIMS:

Directors pay - May services	\$400.00
Secretary's pay - April services	60.00
Christine Clarkson - Office Manager	2,150.00
Office expenses	
Ron Edwards - Operator	680.00
Eddie Muniz - Maintenance	350.00

See May 15 Agenda for complete list

Shawna made a motion to pay all claims presented; for a total
of \$42,203.80. The vote was 4 ayes, 0 nays.
Ron S. seconded the motion.

REPORTS:

Revenue Summary - Clarkson presented a printout of billings and deposits for the month of April 08.

Financial - Rude reported \$30,867.09 in checking
\$269,302.53 in Money Market Acct.

No funds will be transferred to the MMA.

Maintenance - Muniz not available.

Operations - Edwards not available (out of town).

Ron's Water Report was e-mailed to the Board.

TD & H is working on chlorination recommendation to DEQ (pending approval with new supervisor).

OLD BUSINESS:

Monitoring Well #4 was sampled by Mr. Baker from GVWQ.

Fencing - Parks Commission must approve open-space land-use permit before the G County can issue the permit. Easement has been filed and clarified. Parks Comm. meets next week but item is not on the Agenda. ATT the District wants to maintain fencing around the pumphouse and two well heads. Dusty (DEQ Security) wanted to know if the FBI was called when the pumphouse was broken into? Response: the Sheriff's Office was contacted.

Christine will contact Rosie to draft a budget based on profit/loss performance. The District needs to set aside revenue for replacement and repair of infrastructure and equipment. Time line - 2001 Well #2 in operation
Apr2001 - became a water district
2007 - system is 10 yrs. old
2008 - over 1050 connections plus Landmark & Cobblestone.

Sharold said an account for infrastructure is more important ATT than invest in a generator (which is a goal of the District). Shawna agreed.

Steve did some math - based on 1,050 connections, a \$3.00 fee could generate \$37,800 the first year.

Christine said that when we have the Public Hearing, to include increments by percent for high usage.

Dan made a motion to implement odd-even watering this summer, July - Sept. with no watering on the 31st.

Ron seconded the motion. All in favor, motion carried.

The design and purchasing of a water-tank vent protector is being worked on by TD&H and Ron Edwards.

NEW BUSINESS:

Christine will contact Quality Care to spray the weeds.

Shawna - POA is in favor of mowing WD areas, just needs permission to access grass inside the fence (coded lock).

Also, ask POA maintenance to fill in the holes around the tank top where the fence posts were.

Dan made a motion to ratify the letter sent to Mike Harris (Open Land). Shawna seconded the motion.

Postpone auto-pay bill payment.

Bids on painting and repairing buildings -

Lazarus bid on repairs to the pumphouse. Inspection revealed water going into the sub-floor.

Fixing the conduit would require cutting into the cement or rock and needs expansion couplers.

Can shut off Well #1 and Well #2 will automatically kick on. If electrician can get to it now - because summer would be hard to shut down with so much irrigation.

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD MEETING MINUTES
THURSDAY, APRIL 17, 2008

Present: Sharold Buerkle, Dan Child, Steve Rude,
Ron Squyres, Shawna Verdi

Guest(s): Christine Clarkson, Shannon Lester

The meeting was called to order at 7:07 P.M. by Steve Rude, Board President. Ron Squyres made a motion to accept previous meetings minutes. Shawna Verdi seconded the motion. All in favor; motion carried.

CITIZENS REQUESTS/COMMENTS: None.

CLAIMS:

Directors' pay - April services	\$ 400.00
Secretary's pay - March services	60.00
Christine Clarkson - Office Manager	2,150.00
Office supplies	40.00
Eddie Muniz - Maintenance	350.00
NorthWestern Energy	6,917.32
Susan Swimley - Atty. fees	19.50
Kasting, Kauffman & Mersen, P.C. - Atty. fees	2,327.81
TD & H Engr. - Discharge Permit	247.50
Bridger Analytical Lab - Testing \$150 + \$764	914.00
Petticoat Pipe Clean. - C. Gerovac - maintenance on Lift Station(s)	550.00
Bio Logical Solutions, Inc. - lagoon treatments	877.90
State Treasurer - Annual Fin. Rep. filing fee	435.00
	<hr/>
	\$15,289.03

Shawna moved to pay claims presented. Ron seconded the motion. All in favor; motion carried. Note: Add Ron's claim for \$691.20 and \$2,415.00 to Liq. Eng. for a grand total of \$18,395.23.

REPORTS:

Revenue Summary - Christine Clarkson

Delinquent accounts can be reported to the County Treasurer if 60 days overdue. However, most

pastdue amounts are caught up when a letter is received.

Financial - Steve Rude

Checking balance \$43,940.75 and an additional deposit of \$16,000⁺

Money Market Acct. \$249,823.81 (bond payments due end of June.

Christine will transfer an additional \$19,000 from checking to the MMA.

Maintenance - No report.

Operations - Report given after Old Business. (See p. 3)

Regarding the test from Bridger Analytical, Sharold gave an historical summary of nitrate levels in the wells. In the past, Monitoring Well #1 had high nitrates then Wells 2 and 3 were lower which means our groundwater was diluting any drainage. Later, at 40% build-out, the dairy operation shut down. That parcel of land has fertilizers and manure - both producing nitrates.

Spring thaw has occurred and turnover in the sewer lagoon is going well - very little odor.

OLD BUSINESS:

The RRCW&SD equipment and infrastructure has been in operation since Summer '98. The Board anticipates near future repairs and replacements. The District needs to build a fund to cover major repairs and replacements.

Since Spring '01, water rates have stayed the same.

With 1,087⁺ connections, a 10% increase in the base rate could raise capital. The contract with LandMark Water Co. allows for an annual review of rates.

Christine will present a preliminary budget to Rosie - from this budget, it will be determined if an increase is needed. Budget/Rate change will be on the May Agenda.

OLD BUSINESS: (cont.)

Steve went to the Parks Commission meeting Wednesday, April 16. Mike Harris (Open Land) and Susan (Atty) said we didn't need a land use permit: the easement will suffice.

Dusty (DEQ Security) - Park Comm. will meet next month and hopefully, settle technicalities.

Beginning in May, a general-summarized Agenda will be posted next to the meeting notices.

A Letter of Application was sent to the Parks Comm. and its signing needs to be ratified.

Shawna: Move to ratify Letter of Application sent to the Parks Comm. Ron seconded the motion. Motion carried.

Operations Report: Ron Edwards

presented a bill for operator services for \$691.20 and a claim from Liquid Engineering for \$2,415.00 for inspecting the water storage tank. (See findings in Water Report for Apr '08).

Inside the pumphouse fence, a conduit was damaged, exposing the wire. Eddie repaired and restored the connection.

The metal trim on the pumphouse needs to be replaced.

The building needs repairs and sprucing up.

Water Report - see printout.

The last 4 water samples tested "Absent" for coliform bacteria.

Attach B: Luella Schultz (DEQ) - will not make a determination on chlorination until new supervisor for the Public Water Supply Section comes on board.

Gallatin County has issued easement.

The new tank cover has a better seal and the hinges are on the inside. The vent still needs to be protected.

Liq. Eng. and Bridger Fencing arrived on the same day.

Bridger Fencing had a motorized dolly and loaned it to Liq. Eng. to haul the tank lid uphill.

Liq. Eng. recommended cleaning in 3 - 5 years. They vacuumed the sand on the bottom and around the inlet of the tank.

Ron will notify Louella of the results.

Operations Report (cont.)

Illegal dumping may be occurring - resulting in higher nitrates and bacteria. Any manhole can be dumped in. Be alert to unusual activity especially at night or a mess around a manhole.

Very little odor coming from the lagoon. Ron has been running 2 blowers since February.

Nitrate readings are better but concerned about BODs. Blower #3 is done!

Steve called for a motion to pay Liquid Engineering \$2,415.00 Dan made a motion to pay the claim from Liq. Eng. Seconded by Shawna; Board voted 5 - 0 in favor.

Jason Burk needs to invoice for work completed.

NEW BUSINESS:

The biggest issue with a Lockbox Collection System is cash payments. Perhaps an auto-pay would work better.

Shawna made a motion to look into automatic payment for our customers.

Discussion: Ron E. will print the form. He estimates that 20% of customers will use auto-pay.

Ron seconded the motion. All in favor; motion passed.

Shawna motioned for getting estimates on replacing/ painting trim on pumphouse. Ron S. seconded. Motioned amended to include blower building.

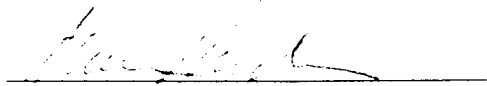
A vote was taken: 4 ayes - 1 abstain. Motion carried.

Meeting adjourned at 9:08 P.M.

Respectfully submitted,

Suzette R. Whipple, Secty.

ATTESTED BY:


Board Member

WITNESS:



A G E N D A
Board of Directors Meeting
River Rock County Water & Sewer District
Thursday, March 20, 2008 7:00 P.M.
River Rock POA Office

The meeting will be conducted as follows:

CALL MEETING TO ORDER

ROLL CALL OF DIRECTORS

APPROVAL OF FEBRUARY 21, 2008 MINUTES

CITIZENS COMMENTS/REQUESTS: (please limit to 5 min. on topic
not on this month's agenda)

APPROVAL OF CLAIMS:

Directors' pay - March svcs.	\$ 400.00
Secretary's pay - February svcs.	60.00
Christine Clarkson - Office Manager	2,150.00
Office expenses	88.97
Eddie Muniz - Maint.	350.00
Ron Edwards - Operator	
Susan Swimley	62.73
John Kauffman - Kasting, Kauffman & Mersen, P.C.	3,307.40
Energy Labs	
Williams Heat/Plumb - Blower #3	5,186.92
Pwr Svc of MT - Blower Maint.	112.50
Stoddard Silencers - Blower filter	1,079.44
Bridger Analytical Lab - \$150 + \$100	250.00
Chem Pace - Bio blocks	790.68

(on back)

REPORTS:

___ Revenue Summary - Christine Clarkson
___ Financial - Steve Rude
___ Maintenance - Eddie Muniz
___ Operations - Ron Edwards

OLD BUSINESS:

Projects - Monitoring well
Blower #3
Lagoon
Insurance review - T. Delaney

NEW BUSINESS:

Possible rate adjustment

ADJOURN:

CLAIMS: (cont.)

Red Tiger Drilling, Inc. - Monitoring well		\$ 7,760.00
NorthWestern Energy - February		6,909.13
TD & H - Chlorination	\$1,647.50	2,814.30
	Discharge Permit	\$788.20
	Wastewater	\$378.60
		<hr/>
	Total:	\$31,322.07

RIVER ROCK COUNTY WATER & SEWER DISTRICT
 BOARD MEETING MINUTES
 THURSDAY, MARCH 20, 2008

Present: Shawna Verdi, Sharold Buerkle, Dan Child
 Absent: Steve Rude, Ron Squyres
 Guests: Christine Clarkson, Rosie Barndt (Holmes & Turner)

The meeting was called to order at 7:07 P.M. by Board Vice-President, Shawna Verdi.

Dan Child made a motion to accept the February 21 minutes as presented. Sharold Buerkle seconded the motion.
 Motion passed.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - March services	\$ 400.00
Secretary's pay - February svcs	60.00
Christine Clarkson - Office Manager	2,150.00
Office expenses	88.97
Postage	591.00
Eddie Muniz - Maintenance	350.00
Ron Edwards - Operator	844.80
Jan/Feb	
March	422.99
Susan Swimley, Atty.	62.73
John Kauffman (Kasting, Kauffman & Mersen, P.C.)	3,307.40
Williams Heat & Plumb - Blower #3	5,186.92
Pwr Svc of MT - Blower maintenance	112.50
Stoddard Silencers - Blower filter(s)	1,079.44
Bridger Analytical Lab - \$100 + \$150	250.00
Chem Pace - Bio blocks	790.68
Red Tiger Drilling, Inc. - monitoring well	7,760.00
NorthWestern Energy - February	6,909.13
T D & H Engineering - Chlorination sys.	\$1,647.50
Discharge Permit	788.20
Wastewater sys.	378.60
	2,814.30
	\$33,180.86

Dan made a motion to authorize T D & H Engineering to continue work, with the final bill being sent to P. C. Develop. Sharold seconded the motion. Motion passed.

It will cost \$570 to take down the fence around the well (tank).

The new blower will be operated by hand within the week. It's clock needs to be set.

Note: The POA is digging up storm drains, to repair and clean to prevent flooding. All work should be completed by end of April.

Received an e-mail from insurance agent- said we are covered.

NEW BUSINESS:

Rate adjustment - Any change would be deduced from a budget report. It would take steps and review by Atty. Swimley.

Sharold stated that a budget is needed to determine chargeable projected revenue.

Sharold made a motion to establish a budget to determine rate structure. Dan seconded the motion. Motion passes as presented.

ADJOURN: 8:18 P.M.

Respectfully submitted,

Suzette R. Whipple, Secty.

ATTESTED BY: 
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT

Board Meeting Minutes

Thursday, February 21, 2008

Present: Steve Rude, Dan Child, Sharold Buerkle, Ron Squyres,
Shawna Verdi

Guests: Christine Clarkson, Shannon Lester, John Kauffman,
Eddie Muniz

The meeting was called to order at 7:03 P.M. by Board President, Steve Rude. Dan Child asked to amend the minutes: JAN 08, p. 2 of 5, Insurance Report: strike the sentence To insure a public ... and replace with "Maco can only insure public entities."

Dan then made a motion to accept the January 17, 2008 Minutes with amendment. Ron Squyres seconded the motion. Motion carried.

CITIZENS COMMENTS/REQUESTS: None.

CLAIMS:

Directors' pay - Feb. services	\$ 400.00
Secretary's pay - Jan. services	60.00
Christine Clarkson - Office Manager	2,150.00
(Office expenses \$426.95 + tank lid \$1,015) includes toner	1,441.95
Eddie Muniz - Maintenance	300.00
Energy Labs	120.00
Susan Swimley	26.00
T D & H Eng. - Wastewater system	516.10
MT DEQ - Public Water Supply fee payment	1,980.00
Bridger Analytical Lab - \$100 + \$25	125.00
1st West Ins. - estimated 1st Qtr. premium	1,022.00
NorthWestern Energy - Jan.	4,965.91
Total:	<u>\$13,106.96</u>

Shawna Verdi made a motion to apy the claims presented. Dan seconded. A vote resulted in 5-0 in favor. Motion carried.

Christine asked the Board to approve payment of the fee to apply for credit at Bozeman Office Express. Dan made a motion to pay for the credit application. Shawna seconded. 5 ayes. Motion passed.

REPORTS:

Revenue Summary - Christine Clarkson - see printout.

Financial - Steve Rude - \$64,236.67 in checking,
@203,794.80 in Money Mkt. Acct.-
transfer \$45,000 to MMA.

Maintenance - Eddie Muniz - all is well. In regards to the rubber plugs, Anderson said that the lid is designed with holes to allow gases to escape. The one by the lift station is cleaner. The Board will write a letter to the resident who popped opened the drain cover. Eddie ordered 100 bio-blockers.

Operations - For Ron Edwards, Christine reported on the progress of the blower installation. Dan said that Ron will start running 2 blowers next week.

OLD BUSINESS:

Long-term projects - Steve is waiting to hear from DEQ of their desires.

Insurance review - Mr. Kauffman received several e-mails from Cincinnati Insurance Co. Christine noted that the estimated 1st Qtr. payment was only \$4 more.

Tank lid - takes two weeks to build to specs. It will be shipped soon.

Tank cleaning - Christine hasn't heard or received any notice of when the work will be done. Liquid Engineer. may have contacted Ron.

Since the lid is on its way, Sharold Buerkle made a motion to remove all fencing.

Discussion: Shawna feels that fencing is still needed around the well heads and pumphouse.

Dan asked if problems persist?

Shawna said she hasn't seen anything from her office overlooking the pumphouse and "hill".

Dan referred to the previous motion of taking it down when the tank is secure.

Motion died for a lack of a second.

When removed, the fencing will be stored .

Blower #3 should be up and running by mid-March.

NEW BUSINESS:

Steve Rude signed the contract with Williams Heat/Plumb. His signature needs to be ratified.

Dan made a motion to ratify Rude's signature on the contract with Williams Heat/Plumb. Shawna seconded the motion. Vote: 3 ayes, 0 nays, 1 abstain.

The Board hired Attorney John Kauffman to litigate the lawsuit, Micech et al v. RRCW&SD. This action also needs to be ratified.

Dan made a motion to hire John Kauffman. Ron seconded. Vote: 3 ayes/0 nays.

The Board acknowledged receipt of letter from Shannon Lester regarding insurance coverage in case of an accident.

Ron asked Christine to call Tyler at 1st West about medical limit of \$5,000.

7:40 P.M.

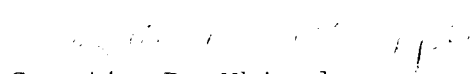
Closure of Meeting for litigation strategy discussion:
The Board, having found that an open meeting would have a detrimental effect on the litigation position of River Rock County Water and Sewer District, when discussing the claims of the litigation, the litigation strategies and the any possible settlement of issues in Micech v. River Rock County Water and Sewer District, closed the meeting pursuant to Section 2-3-203(4) MCA.

Motion by Ron Squyres. Second by Shawna Verdi.

Findings and Motion passed unanimously.

Meeting adjourned.

Respectfully submitted,


Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS: Shawna Verdi

RIVER ROCK COUNTY WATER & SEWER DISTRICT

Board Meeting Minutes

Thursday, January 17, 2008

Present: Steve Rude, Dan Child, Sharold Buerkle, Ron Squyres

Absent: Shawna Verdi

Guests: Christine Clarkson, Ron Edwards, Shannon Lester,
Tyler Delaney - First West Insurance

The meeting was called to order at 7:05 P.M. by board president, Steve Rude. For approval of the December 13, 2007 minutes, board vice president, Dan Child, asked that p. 4, para. 2 (Other business) D&O Insurance - Dan... delete sentences thru agreed. A motion was made by Dan to accept the minutes as amended. Ron seconded the motion. Motion carried.

CITIZENS COMMENTS/REQUESTS: None

CLAIMS:

Directors' pay - Jan. services	\$ 400.00
Secretary's pay - Dec. services	60.00
Christine Clarkson (\$2,150 + 63.33 office exp.)	2,213.33
Eddie Muniz	303.96
Susan Swimley	144.25
Postmaster	394.00
Energy Labs	2,761.50
MSD Computer Supply	422.91
Montana DEQ	600.00
Bridger Analytical	200.00
Black Mtn. Software	1,357.00
T D & H	3,792.70
NW Energy - December/January	4,940.06
	<u>+ 5,482.19</u>
Total:	\$23,071.90

A motion was made to pay claims by Sharold and seconded by Ron. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson - printout n/a att.

Financial - Steve Rude Checking \$66,544.28
 M M A \$173,165.72

Sharold asked Christine to make a folder to take to the bank with them when paying bonds.

Compare water usage in 2007 to 2006; when population of RR stabilizes, the Board may consider a standard sewer charge as an incentive to curb watering and usage in the summer.

Maintenance - N/A

Ron Edwards arrived from Big Sky and will give his operations report after Tyler Delaney discusses insurance.

Insurance - Tyler Delaney, First West Agent

Brought renewal quotes w/Cincinnati Ins.; waiting for quotes from Maaco Ins.

~~To insure a public entity, the insurance company must be a public entity.~~ *Maaco can only insure public sw entities.*

The difference between limits and cost of replacement is a \$1,000 deductible.

There are exclusions - earthquake, change in temperature, pollution loss, etc.

Policy has a co-insurance clause with a 20% window and an inflationary guard of 4%.

Steve - Are figures accurate for 2008? The District needs to certify values. These figures could be determined by a builder.

Ron E. - Value is depreciating and replacement cost is increasing.

Tyler - There is a clause to cover sudden breakdown. It pays labor and parts.

Ron E. - when values are determined, build a spreadsheet then add equipment and upgrades.

Tyler - business property and personal property.
For example, Christine has the \$8,000 meter reader.
What is considered "inside premises"?

Sharold - Is the entire infrastructure insured?

Tyler - \$25,000 on underground pipes, 1,000 ft. limitation.

There is no content coverage.

Ron S. - Are lift stations included?

Tyler - Depends on the cause. If it backs up into homes - yes. Liability normally doesn't have a deductible.

Pollution loss, soil removal and liner leak are not covered but can be added to the policy.

Steve requested an application for pollution liability.
\$1 million per occurrence for bodily harm. The District would need to hire certified sub-contractors - acquire copy of certificate of insurance. Optimal - sub agreement states their carrier must honor claim(s).

Sharold - Fencing is for protecting property. Terrorism is excluded; however, you can get it through government program.

D & O Ins. covers former and current board individuals.
Ron E. gave an example of how process worked in one case.
Coverage needs to be continuous.

Dan made a motion to initiate D & O coverage to start immediately. Ron seconded the motion. Motion carried.

Note: E & O insurance is not applicable to a Board of Directors. ~~E~~ is included in a Maaco policy.

Tyler informed the Board that he received a letter from Shannon Lester. Shannon was in attendance at the meeting and was introduced to Tyler. They will meet at his office to discuss her concerns.

Operations - Ron Edwards asked Christine if the master meter is matching the sum of the individual meters.

Ron presented his monthly report. Page 3, a run meter is something to consider.

Sewage is not getting enough detention time and needs more air. Lining an additional pond cell would allow for more detention time.

Attachment E - Bid from Williams Plumb. & Heat to first, do the mechanical install then the electrical.

What is the cost of the soft starter?

Dan made a motion to direct Williams to start work on the mechanical installation. Ron seconded the motion.

There being no further discussion, the Board voted 4 - 0. Motion carries.

Dan - get explanation of \$17,000⁺ bid.

OLD BUSINESS:

Letter from TD&H - dig 55 - 60 ft. for monitoring well.

Dan - will TD&H search for a site? Yes, it will be in the SW corner of RR.

Steve - entertain a motion:

Dan - Made a motion to have Red Tiger Drilling install the monitoring well and Jason Burke Excavation to install new valve and flow meter.

Ron seconded the motion. 4 ayes, motion carries.

Tank cleaning contract with Liquid Engineering -

Ron will call to see when it's scheduled.

Hatch cover - Ron gave supplier dimensions for two designs and improved security around the vent.

