

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
THURSDAY, DECEMBER 15, 2005

Present: Buerkle, Rude, Riley, Dance

Absent: None

Guests: C. Clarkson, E. Muniz, R. Edwards, D. Child

The meeting was called to order at 7:08 PM at the old Community Office, 240 N. River Rock Dr., by board Pres., Sharold Buerkle. Vice Pres., Steve Rude, made a motion to approve the October 20, 2005 minutes. Pam Dance seconded the motion. All in favor; motion carried.

CITIZENS COMMENTS/REQUESTS:

Dan Child, a resident of River Rock, was present at the meeting to apply for the vacant seat on the board.

CLAIMS:

S. Rude made a motion to approve the claims for November as paid, in the amount of \$13,137.49. P. Dance seconded the motion. All in favor; motion carried. (See Dec. 15 Agenda for itemized list of claims).

The December claims were as follows:

Directors' pay - Dec. services	\$	320.00
Secretary's pay - Nov. services		40.00
RR POA - Admin. Fees Clarkson/Muniz		2,587.00
Ron Edwards - Operator		600.00
Northwestern Energy		3,420.90
Qwest		59.36
Energy Labs		15.00
Petticoat - Carol Gerovac (Lift Sta. #1)		275.00

CLAIMS (cont.)

Brenntag Pacific (Chlorine)	461.65
TD&H Engineering	237.60
Cok, Wheat, Brown - Legal services	4,935.24
State of Montana - Bonds	
(\$128,060.00 and \$84,980.00)	<u>213,040.00</u>
Total	\$225,991.75

Discussion: The board went over each line item.

Statement dated Aug. 31 for \$512.67 was for a teleconference with Attorney John Brown, Jason Leep (PC Develop.), and Steve Rude regarding Tony Kolnik's complaint about selling water beyond River Rock (2.5 hours at \$175/hr.). And 0.25 hr. speaking with Christine about providing documents requested by Mr. Kolnik.

Sept. 30 was for correspondence (1 hr.), attending the Sept. 15 board meeting, and travel to Helena to meet with DNRC.

The next items were for FAX charges, a teleconference with Russ of DNRC and Jason, preparing the application, and a letter presented at the County Commissioners meeting.

(NW River Rock was always a part of River Rock Subdivision).

Another item was for the status of minutes requested by Mr. Kolnik. Atty. Brown met with Sharold (1.25 hr. - 0.5 hr is ours).

Sept. 29 - review of Public Notice Publication of Application and travel to Helena re: Cobblestone (not our responsibility).

Oct. 3 - was for mailings and postage.

We need to get a monthly statement from Cok, Wheat, Brown.

The board is willing to pay half or a portion of these items. Sharold will do the math and bill PC Develop.

Motion was made by S. Rude - The bill for \$4,935.24 will be paid and PC Dev. will be billed by RRCS&WD for a portion of the remaining \$4,735.00. P. Dance seconded the motion; all in favor - motion carried.

REPORTS:

Revenue Summary - Christine submitted the November 2005 billed/payments data. After clearing accounts, the total number was 865.

Checking - with so much activity, Sharold will wait to report an ending balance.

Operations: Ron presented two reports, one for November and one for December. Water usage is down (winter). The Nov. bacteria test was fine. December's test was taken the morning of Dec. 15. Results are printed in Table on p. 3 along with Lead & Copper Sampling Data.

Where's our permit? Ron will write a letter to DNRC.

PC Development is moving forward with NW River Rock, a 55 lot site platte. PC will need to run water and sewer lines and valves. It is a tough time of the year to lay pipe, but should be completed in Jan. 2006. The valve will split, with hydrants every 400 ft., and two road cuts.

Maintenance: Steve asked Eddie to keep an eye on the NW RR installation of equipment and lines to prevent problems with drainage.

NEW BUSINESS:

John Brown's appointment as a District Judge has left RRCW&SD without legal representation. His last service to the board was to highly recommend Susan Swimley. Steve made a motion to retain Ms Swimley as our attorney. Vicki seconded the motion. All were in favor; motion carried.

NEW BUSINESS (cont.)

RRCW&SD is responsible for the 2005 financial audit to the State of Montana, due Dec. 31. Holmes & Turner submitted a bid proposal for a three-year commitment. Year 2005 would cost \$3,500 and subsequent years 2006 and 2007 would cost \$3,200 each. William Hebron, from H & T, said he would first file for an extension. 2003 and 2004 audits will be done by PC.

Steve made a motion to contract for three years with Holmes & Turner CPA. Vicki seconded the motion; all in favor; motion carried.

Vicki Riley and Sharold Buerkle were the only two to apply for board seats. Effective November 8, they were unanimously elected by acclamation and reseated by the Gallatin County Elections Office.

Dan Child's application was accepted by the Board of Directors to fill the vacant seat. A motion was made by Riley to appoint Dan Child to the Board of Directors of RRCW&SD. Rude seconded the motion; all in favor; motion carried. Dan is now on the Board. Welcome!

Suzette has served as Secretary since the November 2004 meeting and has attended every meeting. Sharold entertained a motion for a raise for the Secretary from \$40 to \$60 per month. Steve made the motion to raise Suzette's pay to \$60. Pam seconded; all in favor; motion carried. The raise will become effective as of the meeting in December.

The Board has three offices: President, Vice-President, and Sergeant at Arms (Parliamentarian). For President, Dance nominated Buerkle. Nominations were closed. For Vice-President, Dance nominated Rude. Nominations closed. Both offices being unopposed, Buerkle and Rude were elected by acclamation.

Vicki nominated Dance to the office of Sergeant at Arms. Dance declined. Steve made a motion to drop the office. Since this would require a change to the by-laws, the

motion died. There were no further nominations, therefore, the office of Sergeant at Arms will remain unfilled at this time.

Steve will go to the bank with Sharold to transfer money from the Money Market Account and checking to make the bond payments. The MMA has \$176,884.77. (Maintain \$1,000 in balance), The remaining \$38,000+ will be transferred from checking. Maintain \$20,000 in checking, which after December deposits, will leave \$70,000 for the MMA.

Pam moved to adjourn the meeting. Steve seconded; all in favor; meeting ended at 9:08 PM.

Respectfully submitted,


Suzette R. Whipple, Sec.

ATTESTED BY:

Board Member

WITNESS:

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
Thursday, October 20, 2005

Present: Rude Carlson, Dance, Riley
Absent: Buerkle
Guests: C. Clarkson, E. Muniz, R. Edwards

The meeting was called to order at 7:05 PM by Vice President, Steve Rude. The Sept. 15 minutes were approved and motion was made by D. Carlson to accept the minutes; P. Dance seconded. With all in favor, the motion carried.

CLAIMS:	Directors' pay - October services	\$ 400.00
	Secretary's pay - Sept. services	40.00
	RR POA Admin. fees - Clarkson/Muniz	2,350.00
	Northwestern Energy	5,497.56
	Qwest	59.36
	Energy Labs	75.00
	Petticoat -cleaned Lift Sta. #2	390.00
	NW Pipe - 1½" meters	1,086.20

A motion was made to take the claim from Cok & Brown off. The amount of \$4,448.83 included services provided to PC Development and TD&H Engineers. The motion was made by Carlson and seconded by Dance. Also, a bill from the Bozeman Chronicle will be resubmitted. A motion was made by Dance to pay the remaining claims in the amount of \$9,898.12. Carlson seconded the motion - all in favor - motion passed. Since Oct. 4, Operator Edwards is running 5 tests while the chlorine is on.

REPORTS:

Revenue Summary - Clarkson submitted the spreadsheet for Sept. With payments exceeding \$51,000 and \$18,000 coming from Landmark, a motion was made to write a check to the MMA for \$60,000. Carlson's motion was seconded by V. Riley. All in favor. Motion passed and \$60,000 will be transferred from the checking account to the Money Market Account.

REPORTS: (cont.)

Operations: Edwards is concerned that the small Lift Sta. #2 doesn't have the same run times as Lift Sta. #1. Ron presented a more comprehensive report on water usage. Water usage is down to 200,000 gal. per day. The system seems to be tight (no leaks) Last month's graph was not correct - he forgot to subtract Landmark's usage. 83% River Rock, 17% Landmark. The lots in Cobblestone are the same size as in Landmark (therefore, same water usage). River Rock NW will add 55 units and there will be 90 units (connections) in Cobblestone. Less manufactured homes were built than the proposed 350. With Cobblestone, the RRCS&WD will reach 78% capacity.

Marjorie is no longer doing water district audits. Ron compiled a list of area audit companies. Don recommended Galusha & Assoc.

Ron received the Operating Agreement with termination clause from Atty. John Brown. No motion is needed to allow Pres. Buerkle to sign the agreement before the November meeting.

NEW BUSINESS: For audit purposes, every electric meter should have a number. River Rock receives 3 separate bills from NW Energy for Water & Sewer. The numbers would indicate if it is running the water system or the sewer system.

Note : The Property Owners Assoc. (POA) pays for electric also, e.g. street lights, community center, pond aeration, sprinklers, . . . The POA is responsible for street cleaning and repairing manholes.

Maintenance - Muniz has secured 3 locks on the hatch above the pump atop the hill. Many children play in this area.

OLD BUSINESS:: TD&H Eng. and PC Devel. should share the cost of moving the sewer valve which will run approx. \$6,500 and additional fees of \$10,000. Steve will call Jason Leep.

The \$800 check sent to DNRC was returned. The fee will be due in March of 2006.

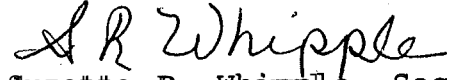
Also, \$1,472.00 will need to be sent to DEQ. It will be listed as a claim in Jan06, paid in Feb06, and due in Mar06.

It is with regret that Don Carlson will be leaving River Rock and moving to Churchill. We wish him the best. His expertise in finance matters was valued by the Board.

CITIZENS COMMENTS/REQUESTS: None.

ADJOURN: There being no further business, the meeting was adjourned by motion made by Vicki and seconded by Don. All in favor. Meeting ended at 8:05 PM. The Board remained for 15 minutes to pay the claims.

Respectfully submitted,


Suzette R. Whipple, Sec.

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
MEETING MINUTES
Thursday, September 15, 2005

Present: Buerkle, Rude, Carlson, Riley
Absent: Dance
Guests: Clarkson, Muniz, Edwards, Leep, J. Brown, Atty.,
D. Crawford, TD&H, T. Kolnik

The meeting was called to order at 7:10 P.M. at the Ridge View Elem. School Cafeteria. S. Buerkle presided over the meeting. The August 21, 2005 minutes were approved by Steve Rude with a correction of number of wells on p.2. There are 2 wells and 5 pumps. The motion to accept the minutes was seconded. With all in favor, the motion carried.

CLAIMS:	Directors' pay - September services	\$ 400.00
	Secretary's pay - August services	40.00
	RR POA Admin. fees - Clarkson/Muniz	2,400.00
	Northwestern Energy	5,409.07
	Qwest	59.36
	RR POA / Postage	585.00
	MSD Computer Supply (new billing cards)	404.90
	DEQ - Public Water Supply Fee (annual)	1,472.00
	Donald or Paula Pertersen - refund	57.15
		<hr/>
	Total:	\$10,827.48

Pres. Buerkle entertained a motion to pay claims as presented. Carlson made the motion and Rude seconded. Motion passed.

REPORTS:

Revenue Summary - Clarkson submitted the August figures.

The meter-reader is on order.

12 more houses came on line, which accounts for the increase in revenue.

Checking Account - Buerkle reported \$64,890.14 in checking,
72,541.00 in Money Mkt.,
\$137,431.14 total

Loan payment #9 is due Jan. 01, 2006 in the amt. of \$213,040.00.
Treas.. Buerkle stated that the board could transfer another
\$44,000.00 to the MMA. A motion was made by Rude to try to reach
the \$85K gap by transferring the excess funds in the checking
acct. to the Money Market Account. The motion was seconded by
Carlson. A vote was taken - all in favor. Motion passed.

Operations - Edwards submitted data on River Rock and Landmark
water use, Booster Station run times, Water Quality,
including an Annual Drinking Water Quality Report,
and the Wastewater lift station run times. See
charts and graphs in file.

Ron feels that the electrical problem in Pump #3
has been fixed.

The State of Montana passed HouseBill #22
assessing a fee based on the number of users.
The check was sent prematurely and the DEQ
will mail back the check. (\$1,472.00)

Maintenance - Muniz asked that Lift Sta. #2 be cleaned.

The lock on the tank (on top of the hill) is
being pried off by vandals. Contamination could
be put in the water through this opening. Eddie
will repair and reinforce the lock.

OLD BUSINESS:

Operator Edwards presented his Operating Agreement to the board.
His ~~job description~~ includes all sampling for the State, licensing,
and liability insurance. Mileage and other expenses are
computed into the salary. Ron submitted a bill for time between
Jan01 to Sep15, 2005 in the amount of \$1,531.02. The check
will be mailed to 680 Sycamore Lane, Bozeman 59718.
Atty. John Brown will put a termination clause in the agreement,
per Edward's request.

Ron recommended that Eddie study for certification under his license.

Don Carlson complimented Ron on his dedication to servicing the River Rock Water & Sewer District's system.

Don then made a motion to accept Edwards' Operating Agreement. Steve seconded the motion. A vote was taken; all in favor. Motion passed. Ron Edwards will remain as Operator.

Steve made a motion to pay Ron's invoice in the amount of \$1,531.02. Vicki seconded. None opposed. The amount will be added to the claims for a total of \$12,358.50 for September.

Jim Pierce, TD&H Engineer, is handling the valve relocation project. Estimated cost will be \$6,500. Steve has been corresponding with TD&H.

NEW BUSINESS:

Two seats will come up for election in November. Clerk, Shelley Vance and Charlotte Mills must be contacted regarding the election and results. If there is no opposition - incumbents will be re-elected unaminously through acclamation. No election will be required.

David Crawford, TD&H Engineer, spoke about possibilities for an emergency back-up generator. He said that the original design provided specs for equipment and a space to house it. The power company said that its service was reliable enough that a back-up generator was not needed. (Recent outages have been caused by wet snow on lines, lightening, . . .high winds cause the power to fluctuate. It doesn't take much.)

A transfer switch, which turns on the generator immediately, would cost \$20,000. For an extended outage, power back-up would also be needed on the lift stations.

Ron suggested that the District may be able to borrow from the State to upgrade the system.

RRCW&SD will need an annual audit including 2003-2004, which PC Development will take care of by Oct. 15. The District's Board will be responsible for 2005 audit, due by Dec. 31, 2005.

However, this may not be necessary since RRCW&SD is not under the Public Service Commission (PSC).

If an audit is needed, the board will consider asking Marjorie Rnaub, who does the audits for Big Sky.

Atty. John Brown, representing the Board, said the opportunity has come up for the District to apply for a change of place of use. The application should be filed within the next 30 days. Don asked about cost: It was determined that PC will do what they can and will bear most of the cost. Having Atty. Brown file the application may cost less than having Russ file it for PC. Steve motioned that Sharold be allowed to sign the Letter of application to Change place of Use if it comes up before Oct. 20 meeting. Don seconded the motion. All in favor. Motion passed.

RR NW is part (last Phase) of RR Sub., so there is no issue about its water usage. RR NW is within the District and must be served. Previous storage units property does not need services.

A letter to DEQ for water & sewer service to RR NW can be sent along or included in the Ltr. of Appl. for Change Place of Use.

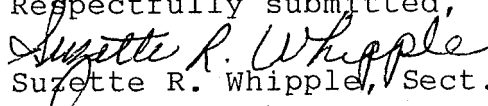
CITIZENS COMMENTS/REQUESTS:

Tony Kolnik addressed concerns about honoring past resolutions. He has questioned the authority of the District to sell water to any site other than River Rock. In his research, Tony noticed that the April 2001 minutes were not signed by the Secretary (Barb). The Board has contacted the State and is following up with a letter of Appl. for Change Place of Use.

Atty. Brown stated that the minutes are record of the Board's meetings and what is discussed at these meetings.

Pam volunteered to attend the EQC legislative committee meeting tomorrow.

There being no other concerns, the meeting was called for adjournment by its Pres. Don motioned that the meeting end, seconded by Steve. All in favor. Meeting adjourned approx. 8:30 PM.

Respectfully submitted,

 Suzette R. Whipple, Sect.

ATTESTED BY: _____
 Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER & SEWER DISTRICT BOARD
 MEETING MINUTES
 Thursday, August 21, 2005

Present: Buerkle, Rude, Dance
 Absent: Riley, Carlson
 Guest: Kerri Fleming, C. Clarkson

Having a quorum of board members, the meeting was called to order at 7:05 P.M. The July 21, 2005 minutes were approved after Steve Rude made a motion to accept the minutes and Pam Dance seconded the motion. Motion passed.

CLAIMS:	Directors pay - August services	\$ 400.00
	Secretary's pay - July services	40.00
	RR POA Admin fees - Clarkson/Muniz	2,350.00
	Northwestern Energy	5,742.54
	Qwest	59.36
	RR POA - postage	148.00
	Petticoat - Lift Sta. HI annual clean.	200.00
	Sime Const. - Lift Sta. repair	654.28
	TD & H - sampling	52.71
	Energy Labs	15.00
	Northwest Pipe - meters	4,969.00
	First West Insurance - 3rd Qtr.	<u>1,018.00</u>
	Total:	\$15,648.89

Motion was made by Rude to pay claims presented. Dance seconded the motion and claims were paid.

REPORTS:

Revenue Summary: Christine presented the Revenue report for July, 2005.

The letter to High K was not received, so Steve will e-mail the letter to Christine to forward to High K.

Christine needs a remote meter-reader and will cost approx. \$700.00 from NW Pipe (will bill).

A resident requested a hookup for a hose to irrigate.

Motion was made by Rude to order a meter-reading remote from NW Pipe. Dance seconded the motion. Motion passed.

Checking: Pres./Treas. Buerkle asked the board what they wanted to do with the approx. \$70,000.00 excess funds in the checking account. As agreed before, balances over \$20,000.00 would be transferred into the Money Market Account. Steve made a motion to bring down the checking account balance near \$20K and deposit \$70,000 in the MMA. Pam seconded. Motion carried.

The Board and Christine (admin) decided to deposit all checks to one account and write a check to the MMA.

OLD BUSINESS:

Pump #3 is working okay (see New Bus. JUL05).

DNRC, Bozeman Office, is now aware of the River Rock Water District and has received a copy of the Acknowledgement of Water Right Ownership Update. A Thank You goes out to Jason Leep, representing Valley Meadows, for submitting documentation to DNRC, transferring ownership to River Rock County Water and Sewer District.

Note: The RR Water Dist. wants to sell to a larger area to maximize the system, keeping within the authorized limits. RR has 8 wells to 'share', thus alleviating the necessity of digging more wells.

If RR is denied selling rights, every municipality will have to request from the State to expand.

CITIZENS CONCERNS/COMMENTS:

Kerri Fleming had a few questions about the locations used for sampling the water.. One of the wells is upstream by Wild Horse. There is another well behind Ridge View Elem. School. It is 260 ft. in depth. Ms Fleming was quite knowledgeable about testing and reading the results.

LandMark residents are concerned about having the water shut off. There is no truth to this rumor.

There being no further business, the meeting was adjourned by a motion from Steve and seconded by Pam. Motion carried. Meeting ended at 8:20 P.M.

Respectfully submitted,

Suzette R. Whipple

Suzette R. Whipple

Secretary

ATTESTED BY: _____

Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER and SEWER DISTRICT BOARD

MEETING MINUTES

Thursday, July 21, 2005

Present: Buerkle, Rude, Dance, Riley, Carlson

Absent: All present

Guests: Clarkson, Jason Leep, Bruce Grupe

As board members read the June minutes and July Agenda, the meeting was called to order at 7:03 P.M. by Board Pres., Sharold Buerkle. The meeting was held at the Ridge View Elementary School. Before approving the Jun-e minutes, Steve Rude, noted that on p. 4, it should read...maintaining \$20,000.00 a month in checking. Steve then made a motion to accept the June 16, 2005 minutes and Pam Dance seconded the motion. Motion passed and the minutes were accepted with noted clarification.

CLAIMS: Directors' pay - July services	\$	400.00
Secretary's pay - June services		40.00
RR POA - Admin fees Clarkson/Muniz		2,450.00
NWestern Energy		4,188.95
Qwest - phone service		68.37
installation of auto dialer line		27.50
Postage		296.00
Energy Labs		30.00
Valley Truck Repair (formerly J & K)		130.96
Sime Const .-repair bad seal on lift station		1,064.99
AWWS (Todd King)-down payment to order impeller blades		2,600.00
		<hr/>
	Total:	\$11,296.77

Motion was made by S. Rude to pay claims as presented.
Don Carlson seconded the motion and claims were paid.

A courtesy was shown to our guest, Mr. Bruce Grupe, to speak to the Board before getting into the business of the meeting. Mr. Grupe is Pres. of the High K Home Owners Assoc. The subdivision will be draining its pond and asked the River Rock Cty. Water and Sewer Dist. Board for permission to use our fire protection system in case of an emergency. Don C. made a motion to grant permission to High K HOA to use the River Rock fire protection system while draining their pond. This agreement expires October 31, 2005. Steve seconded the motion. None opposed. Motion carried.

REPORTS:

Revenue Summary: Not available ATT. Christine has been out of town.

Checking Account: S. Buerkle -
Beginning balance \$196,106.85
Ending balance will be calculated upon receipt of June 2005 deposit totals.

OLD BUSINESS:

The exact amount of the 13-month CD of remaining funds was \$136,261.60. The checking account does not accrue interest because the RRCW&SD is a non-profit. Funds in excess of \$20,000.00 will be transferred or deposited in the Money Market Account which will build a reserve. Christine needs a deposit stamp for checks going directly into the MMA and deposit slips. Sharold and Pam discussed the \$10,000 bonus certificate's higher interest rate vs. letting the balance of the MMA build up to \$10,000, then it will earn a higher interest. Options will be reviewed when CDs mature or money is available to invest.

Is there a point person at Big Sky Western Bank? Don will talk to a manager about improving service when buying new products.

Steve wrote a letter to TD & H about relocation of the valve, asking if the estimate includes materials and labor.

Sharold wants to get the impeller blades installed, then focus on the valve relocation.

Re-elections will be held in Nov 05 for Sharold and Vicki's positions.

Anna Miller, DNRC, received several e-mails from Tony Rolnik regarding selling water to other subdivisions. The original application was to sell water to River Rock only. Ms Miller contacted PC Development/(Jason Leep) Valley Meadows. Jason sent flow records to DNRC. PC Dev. will file a water rights transfer. The application can and will be revised to sell water to other developments, but not to exceed limit. Atty. John Brown will be contacted. There have been several articles in the local papers addressing the issue of water usage and the effects on nearby rivers.

Jason also brought pipe tapes and operation manuals. Eddie should have the As-Builts.

NEW BUSINESS:

TD & H FAXed the Oct. 22, 2004 letter referring to the need for a water tower or backup generator in case of a power outage to maintain pressure in the system. The Board is leaning toward a generator. Jason will be asked for his input. A generator for backup power would cost approx. \$50-60,000.00. The lift station would need a generator as well. Note: an outage over 4 hours would start to develop problems.

Christine brought up that Pump #3 is failing to come on. Pump #4 will not kick in before the pressure drops to 10 lbs.

Eddie and Don looked at it and tried to bring it up by pushing the "Lamp Test" button. Pump #3 would come on. The problem is probably in the electrical control box.

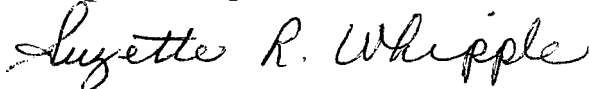
Christine said there is a licensed electrician living in River Rock and Ron could show him the system.

Sharold asked Christine to contact Ron Edwards, Operator, to call an electrician to look at the system. When the pumps don't run, there is no pressure, therefore, no fire protection.

By the August meeting, Steve would like to know if we should go with diesel or natural gas. Meadow Brook has one; what do they use?

There being no further business, a motion was made to adjourn the meeting. Pam moved that the meeting be adjourned, seconded by Steve. All in favor. Meeting ended at 8:20 P.M.

Respectfully submitted,



Suzette R. Whipple
Secretary

ATTESTED BY: _____

WITNESS: _____

RIVER ROCK COUNTY WATER and SEWER DISTRICT BOARD
MEETING MINUTES

Thursday, June 16, 2005

Present: S. Buerkle, S. Rude, V. Riley

Absent: D. Carlson, P. Dance

Guests: C. Clarkson, David Graham

The meeting was called to order by Board President, Sharold Buerkle at 7:05. The meeting was held at the pumphouse located at 265 North River Rock Rd. Sharold distributed a revised Agenda. The minutes of the May 19 meeting were reviewed. Steve asked that the statement on p. 2 (New Business) "Graham is with Cobblestone (Ayres) Subdivision" be omitted, as Mr. Graham is not associated with Cobblestone, but is considering developing a subdivision, yet unnamed. With this correction, Steve motioned to accept the May minutes. All in favor. Minutes were accepted and signed.

CLAIMS:

Directors' pay - June services	\$ 400.00
Secretary's pay - May services	40.00
River Rock POA - Admin. fees Clarkson/Muniz	2,300.00
NW Energy	3,333.57
Qwest	54.09
TD & H	452.70
NW Pipe	5,893.78
J & K (now called Valley Truck Repair)	130.00
Ida Mae Pruitt - replace lost check to former Board Secretary - Sept. 18, 2003	40.00
Bond payments - \$85,900.00 / \$128,440.00	214,340.00

A motion was made by Steve to pay the claims as presented. Vicki seconded the motion. All in favor. Checks were written and all claims were paid. Bond payments will take place on June 23rd at Big Sky Western Bank.

The community center is reserved for the evening of July 21st, therefore, the board will hold its meeting at Ridge View Elementary School - 7:00 P.M.

REPORTS:

Revenue Summary - C. Clarkson - for May 2005 submitted.
Black Mountain billing software has been updated.

Checking Acct. - S. Buerkle

Begin. Bal.	\$167,023.46
End. Bal.	\$196,106.85

NEW BUSINESS:

David Graham, Developer, is interested in buying water from River Rock for a proposed subdivision covering 60 acres. It would have its own central sewer.

Discussion: With present commitments to a full build-out at River Rock of 1250 meters, LandMark's, Ayres and Cobblestone, the water district is approaching 78% allowable usage. Steve said he is not opposed to selling water to Graham, but we must see how much Cobblestone needs. Sharold referred Graham to TD & H to look at his plans.

Ron Edwards was in Missoula and could not attend. Acceptance of his operating agreement was tabled.

While in the pumphouse, Christine opened the safe and removed all documents. Steve will write to PC Dev. for documents they may still have; which need to be filed in one location for accessibility.

Eddie recommended that the dull impeller blades be replaced. He would also like to schedule a clean-out with Carol Gerovac (Petticoat). The pumps are running normally with only one clog on June 2 - rags. Motion was made by Steve to get Eddie to order clean-out and replace blades. Vicki seconded. Motion passed. Note: Blades were ordered. See July claims. The specifications for relocation of the valve(s) were received from TD & H.

Sharold will contact TD & H and P.C. Dev. about taking financial responsibility by helping with repair costs (blades) and the relocation of the valve.

There may be a problem with the breaker when pump #3 kicks on. Pressure was lost when the breaker tripped. Christine said that Ron is monitoring the problem. Eddie reset the breaker.

He-election of board members alternate-for 4 years. Sharold's office is up November 2005,

Vicki _____	Pam _____
Don _____	Steve _____

There was no contact from homeowners who received letters about the clogged pump. Steve suggested that we wait until the blades are replaced before scheduling a Public Meeting.

There will be a partial penalty on cashing in the CD(s) to adjust maturity dates to precede bond payment due dates. June 23, Steve and Sharold will meet at Big Sky Western Bank to cash in both CDs, transfer the bond payments, and reinvest the \$222,712.70 and approx. \$175 K in checking and purchase 4 CDs, stagger the due dates, and earn interest at a higher rate than orig nally.

6 mos.	\$50 K	(matures Dec. 05)
3 - 13 mos.	\$1 00K	(matures Jul. 06)
	\$120K	
	\$140K+	
	<hr/>	
	\$410K+	

Sharold asked to entertain a motion that checking surplus be placed in Money Market Account, depositing \$20,000.00 a month in checking.

Discussion: Current operating expenses are running at \$15,000 a month. Once Christine has deposited \$20,000, the remaining deposits will be made directly to the MMA. Six checks a year can be written on the MMA (min. \$5,000). In the future, the bond payments can be paid from the MMA.

Therefore, a motion was made by Steve that after cashing in the CDs, put \$50,000.00 in a 6 mo. CD, purchase 3 - 13 mo. CDs (\$100,000.00, \$120,000.00, and the remaining \$140,000.00+), and retain \$20,000.00 in the checking account.

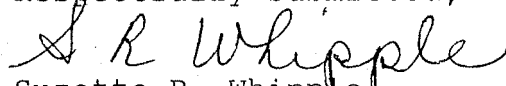
Motion was seconded by Vicki. All in favor. Motion carried.,

CITIZENS COMMENTS/REQUESTS: None

ADJOURN MEETING:

After a very productive meeting, Steve asked that the board adjourn; Vicki seconded that motion and the meeting ended at 8:45 P.M.

Respectfully submitted,



Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER and SEWER DISTRICT BOARD

MEETING MINUTES

Thursday, May 19, 2005

Present: S. Buerkle, S. Rude, P. Dance, V. Riley

Absent: D. Carlson

Guests: Richard Sutterlin, C. Clarkson

The meeting was called to order by the Board's President, Sharold Buerkle at 7:20 PM. A correction to the minutes was requested by Pam Dance to read "An operating agreement was presented to the Board." (p. 2 at end of REPORTS)

With this correction, Dance made a motion to accept the April 21, 2005 minutes and Steve Rude seconded the motion. All were in favor and the motion carried.

CLAIMS:

Directors' pay - May services	\$ 400.00
Secretary's pay - April services	40.00
River Rock POA - Clarkson/Muniz salaries	2,300.00
Northwestern Energy - electric	2,411.55
Qwest - phone	54.27
AT&T - long distance (final bill)	4.84
Energy Labs - tests	30.00
TD&H	802.35
Postage	396.00
First West Insurance - 2nd Qtr.	1,018.00
	<hr/>
	\$7,457.01

A bill was presented from J & K Equipment, however, this claim had been paid in March. (The payment and 2nd billing crossed in the mail,) A motion was made by Dance to pay the claims as presented. The motion was seconded by Vicki Riley. All in favor; motion carried. Checks will be written and signed after the meeting and Christine will send them in the mail.

REPORTS:

The Dept. of Nat. Res. and Cons. returned a copy of the Completion Certificate for the two **Dist.** Revenue Bond loans.

How much are the bond payments?

\$3.1 million @ 4.0%	Jan. 1, 2005	\$128,800
	July 1, 2005	\$128,440
\$2.1 million @ 4.0%	Jan. 1, 2005	\$85,800
	July 1, 2005	\$85,900

A total of **\$214,340.00** will be due July 1, 2005.

Revenue Summary: C. **Clarkson** submitted the billings, payments, and deposits for April, 2005.

Checking **Account:** S. Buerkle reported a beginning balance of \$155,782.33 and an ending balance of **\$167,023.46**

As reported in the Budget Projection by PC Dev., there is a **\$2,516.78** cash Money **Market (checking) which** earned \$5.46 at the rate of **.65%**. The rate has increased to 0.75%. The value is now at **\$2,522.24**.

P. Dance noted that First Interstate is offering a 9 month CD at a more favorable rate of 3.8%. Board members would like the input of Don **Carlson** before making a decision.

NEW BUSINESS:

A letter was received from Graham Development, LLC, 500 Stonegate **Dr.**, Bozeman. David Graham, Pres., is interested in discussing a hook-up with the River Rock Water system. Dir. Buerkle suggested that he meet with him. ~~Graham is with c-a **tone (Ayers) Subdivision.**~~

To meet the July 1 bond payments, the board will cash in a CD.' Also, there is too much cash in the checking account and should be invested in a short-term CD. **The** maturity date(s) of all the CDs need to be scheduled no later than Dec. 31 and Jul. 31 to meet bond payments without penalties.

NEW BUSINESS (cont.)

Looking over Ron Edwards' operating agreement proposal, the Board is inclined to go with it. He will need to present an edited copy which includes salary & compensations covering sampling and lab costs. What is PC paying Ron? \$950. Sharold read the list of samples, which are approximately \$2,000 in fees.

Sharold checked on the Discharge Permit with Mr. DeBoo. He referred him to Mark Cucane who verified that it is in progress.

Eddie was not present so no decision was made on repairs.

Christine typed up a letter regarding Lift Station Problems in accordance with regulations on p. 50 and p. 52 Sect. 12-7 addressing industrial waste. The letter was sent to homeowners that are serviced by that lift station. Dance said that future repair costs could be bared by the customers. Rude suggested that a target rate increase to pay repair and replacement costs may get their attention. Clarkson and Dance thought a Public Hearing may be effective and publish the date. The Board can pass a resolution. Discussion was tabled until the June meeting and request that Ron and Eddie attend.

TD&H sent its report on quarterly sampling and testing at a cost of \$802.35 (\$300 + \$383 + \$70.35 + \$48). A copy went to DEQ.

Steve would like to limit public comment to 5 minutes per citizen, Other public meetings follow this rule.

Note : The sprinkler valve controller by the blower bldg. was not locked, with its face dangling.

Filing cabinets are needed for documents to be available for public viewing. Also needed are the As-Builts from PC Dev. Ron will need the operation manuals for the lift station(s). Other documents to be filed are meeting minutes, Rules & Regulations, and receipts.

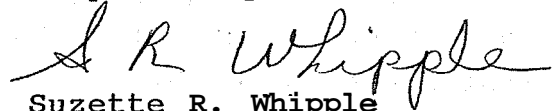
CITIZENS COMMENTS/REQUESTS:

Mr. Richard Sutterlin of Pebble Brook, had questions about watering his lawn at River Rock. Pam said that a letter was sent out last year suggesting that lawns be watered 3 days a week 1 - 1½ inches per watering.

ADJOURN MEETING:

There being no further business to discuss, Steve Rude made a motion to adjourn tonight's meeting. Pam and Vicki seconded the motion. All in favor. Meeting adjourned at 8:20 P.M.

Respectfully submitted,



Suzette R. Whipple
Secretary

ATTESTED BY: _____
Board Member

WITNESS: _____

RIVER ROCK COUNTY WATER and SEWER DISTRICT BOARD

MEETING MINUTES

Thursday, April 21, 2005

Present: Buerkle, Rude, Dance, Riley

Absent: Carlson

Guests: Christine, Eddie, Ron, Terry Hooge, and Tony Kolnik

The meeting was called to order at 7:20 P.M. by Board President, Sharold Buerkle. After reading the March minutes, Steve said to change the word pump to valve on p.2 to read "The valve should not be in the lift station." With this ~~correction~~, Steve motioned to accept the March 16, 2005 minutes. Pam seconded and all were in favor.

CLAIMS:

Directors' pay - April services	\$ 400.00
Secretary's pay - March services	40.00
River Rock POA - Clarkson/Muniz salaries	2,600.00
NW Energy - electricity	2,608.05
	597.31
Qwest - phone service	53.67
Energy Labs - March coliform test	15.00
NW Pipe - meters	6,063.38
AWWS (Todd King) - pump repairs	786.00
Lonesome Dove Concrete - pulley/winch base	156.00
Victoria Anderson - refund to homeowner	27.50
Postage	322.00
Petticoat (Carol Gerovac) - Line maintenance	3,512.00
	<hr/>
	\$17,180.91

Buerkle asked for a motion to pay claims; seconded by Steve. Motion carried and claims were paid.

REPORTS:

Revenue Summary - Clarkson reported March 2005 billings, payments, and deposits. (see file)

River Rock has 28 new service connections.

LandMark has 4 new connections for a total of 176.

Checking Account - Buerkle reported begin. balance \$132,087.89
end. balance \$155,782.33
as of April 21, 2005

REPORTS (cont.)

Water & Sewer Operations - Edwards gave an update on connecting the auto dialers. He showed pictures of the current state of the dialer system inside the pump house. The phone lines are cut (not connected). The auto dialer at the treatment system has one on-line and is operational. A second line would be needed at the pumphouse to connect the dialer.

Water usage - April 18 150,000 gallons were used
as compared to 2004/2003 avg/day 261.483 gallons

Pump run times - 1 and 2 running
3, 4, and 5 are rarely needed
The pump at Well#1 runs approx. 2 hr/day
Well#2 - an hour meter was placed to see
how long it's running
Well#1 has an hour meter - will help when chlorine
pump runs

Since December, coliform samples have been good
In March, three sites were tested and all were good

LandMark - March 21 25,000 gallons
Is there a leak at LM? Was the possibility of a leak
checked? Steve suggested that we get a Leak Detection
co. to check for leaks. Throughout the system the triple
winter usage does not reflect the population increase.

Lead & Copper sampling (see file)

The 2nd Compliance Period for the EPA for 2005 is approaching.
Nitrate sampling - continue to monitor.

Dir. Buerkle asked Ron if he has a contract proposal. An
operationing agreement was presented to the Board.

NEW BUSINESS:

Eddie found a crane lift for Villas area station. He is
building a concrete pad to support the crane. (see claims)

An e-mail was received March 24, 2005 from TD&H (Jim Pierce)
making recommendations regarding using a vortex pump. It was
noted that the City of Belgrade has switched to a vortex pump.
Specifications for the redesign were not included.

CITIZENS COMMENTS/REQUESTS (cont.)

Another quest, Mr. Tony Kolnik, said he worked on the RR system in 1981. His concern is the West Gallatin River. How much or is any of the water being pumped at RR draining from the river? With the construction of LandMark and Cobblestone, how will that affect the water level of the W. Gallatin River?

Some items that were discussed:

- LandMark buys water from River Rock.
- Cobblestone T's off from LandMark.
- LandMark owns its infrastructure.
- Definition of ground water vs. surface water.
- The possible future sewer line from Gateway to Logan.
- Golden Ventures
- W. Gallatin River - drought or drain.
- Oath of Office as a public official taken by each Board Member.
- Shedd's Bridge.
- 5.2 million paid for system (2.2 mil. for water and 3.0 mil. for sewer. Payment is made on the bonds every 6 months.
- King Arthur - has an innovative system.

ADJOURNMENT:

There being further business, a move was made to adjourn the meeting. Signatures were obtained on the Certification of Completion transferring loans from Valley Meadows to the Board. Steve seconded the motion to adjourn. All in favor. The meeting ended at 8:50 PM.

Respectfully submitted,

Suzette R. Whipple
Suzette R. Whipple
Secretary

ATTESTED BY:

Board Member

WITNESS:

RIVER ROCK COUNTY WATER and SEWER DISTRICT BOARD
MEETING MINUTES
FEBRUARY 17, 2005

Present: Buerkle, Rude, Richards, Dance, Carlson
Guests: Christine Clarkson, Jason Leep

After reading the January Minutes and looking over quite a few claims, the meeting was called to order at 7:14.PM by President Buerkle. The Jan. 20, 2005 Minutes needed to be amended before they were accepted. Three changes were made on page 3 of 4; "There is money from the State that RRCW&SD can use, approximately \$500,000.00 and the Board is considering placing \$100,000.00 in the State Investment Pool (SIP). Anna Rosenberry, County Treasurer, ... (Note: Ms Rosenberry is now the Bozeman City Treasurer and Kimberly Buchanan is the new Gallatin County Treasurer). The Secretary noted these changes and the minutes were accepted.

Claims:	Directors' pay - February 2005 services	\$ 400.00
	Secretary's pay - January 2005 services	40.00
	Energy Labs 1. Annual test	690.15
	2. Jan. coliform test	15.00
	3. Feb. coliform test	15.00
	4. Copper & Lead test	207.65
	Steve Ross (made new water key)	112.50
	River Rock POA (reimburse. for postage)	396.00
	Northwestern Energy	3,652.22
	RR POA - Salaries for Clarkson, Muniz	2,250.00
	Curt Kelly (Electrician - pump)	111 .00
	J&K Cont. (Equipment repair - pump)	292.50
	Advanced Wastewater Specialists (AWWS)-pump	362.00
	AT&T	1.18

The phone jack in the pumphouse has been disconnected. A recommendation was made to have AWWS clean the pumps semi-annually as preventive maintenance. Motion was made to pay the above claims by Steve Rude. Seconded by Don Carlson. All in favor; motion carried and claims were paid.

Reports:

Revenue Summary - Christine Clarkson

Checking Account - Sharold Buerkle - beginning balance \$92,101.79
ending balance \$110,979.34

New Business:

Lift Station

Clarkson reported that Pump #2 alarmed on Feb. 16. Todd Ring was called. He surmised that there was blockage. Carol Gerovac of Petticoat Pipe Cleaning came out Feb. 17 and found the pump hole bottom covered with gravel and what appeared to be shop towels that are used by painters. This clogging causes the amperage to go up and sets off the alarm. The pump has to be lifted to be cleaned. The pump weighs approx. 250 lbs. If we were to have our own equipment to do this, it would require a pulley & wrench and a device to collect an 8 in. chain. Rude made a motion to solicit proposals from Petticoat. Carlson moved to hire Gerovac.

Discussion: purpose of this action is to keep the system working properly with scheduled maintenance. Pam Dance recommended an in-house monitoring of the amperage readings to watch for trends or patterns. Steve motioned to start using bio-blockers. The motion to hire Petticoat was seconded by Eric Richards. All were in favor. Motion carried. The motion to start using bio-blockers was seconded by Pam. Motion carried. Christine will call Carol and order a supply of bio-blockers.

Carlson asked Jason Leep about the status of the Discharge Permit. The application is an 18 mo. process and is close to being issued.

Don motioned to hook up automatic dialers to the pumphouse and sewer to alert Eddie when an alarm goes off. Christine would be the 2nd called, as a backup, and would call Ron Edwards, Operator, if needed. This motion was seconded by Richards. All board members were in favor; motion passed.

New Business (cont)

The Board needs Ron's contract from PC Development. Jason will ask Ron to give the paperwork to Christine. The contract needs to be for Operator of water and sewer, which will be required when the Discharge Permit is issued.

Board Member Pam Dance announced that this meeting would be the last meeting attended by Eric Richards. Eric and his family are moving to Missouri. We all wish him well. Thank you, Eric, for your service on the Board.

Old Business:

The parts inventory will be mainly for the chlorination system. The chlorine is hard on the rubber and other parts.

Banking & Investments: One of the favorable aspects of investing in the State Invest. Pool is that it offers liquidity. The Board has until July 05 to decide.

The Collateral Agreement has been taken care of. Copies were sent to the Dept. of Natural Resources, US Bank & Trust and Chad Meyers. The Board has received acknowledgement from the State. The money in the Escrow Acct. now belongs to the Board, not P.C. Development.

Shsrold will call Ron regarding hooking up the automatic dialers.

The Board will look over finances of the RRCW&SD before committing to a 5-yr. plan to clean the entire system, as recommended by Gerovac of Petticoat at the Jan 05 meeting.

Steve offered to map the platte, with Ron's input.

Carlson noted that the CD maturing on July 27, 2005 could be budgeted to pay the loan which is due July 1, 2005 and January 1, 2006. The recurring 6 mos. maturity date would need to be adjusted. Don will call the bank.

Pam - there is projected revenue from new connections in River Rock, Landmark, and Ayres in 2006.

There being no further business, Steve asked that the meeting be adjourned. Unanimous in favor. Meeting ended at approx. 8:30 PM.

Respectfully submitted,

S. R. Whipple

Suzette R. Whipple, Secretary

ATTESTED:

BY: _____

Board Member

WITNESS: _____

Agenda of Board of Directors Meeting
River Rock County Water and Sewer District
January 20, 2005
River Rock Community Center

The meeting will be as follows:

CALL MEETING **TO** ORDER

ROLL CALL OF DIRECTORS

APPROVAL OF DECEMBER 16, 2004 MINUTES

CLAIMS: Directors' pay - \$400.00 January services
Secretary's pay - \$40.00 December services

REPORTS: Revenue Summary - Christine Clarkson
Water Usage/Test(s) - Ron Edwards

OLD BUSINESS: 1. Transition of accounts payable to Board
and other details of transfer of operation
2. Approval' of Budget 2005

NEW BUSINESS: 1. Petticoat - presentation on sewer cleaning
2: Paying claims
on-line banking

CITIZENS' COMMENTS/REQUESTS:

ADJOURN MEETING: