

WATER & SEWER BOARD OF DIRECTORS' BOARD MEETING
FEBRUARY 18, 2006

IN ATTENDANCE: Herb Cooper, Steve Koeckeritz, Barb Rosenbrock, Joe Sarjeant, and Manager Jody Sandquist.

ABSENT: Jack Watkins.

PROPERTY OWNERS & OTHERS IN ATTENDANCE: Two (2).

PRESIDENT STEVE KOECKERITZ CALLED THE FEBRUARY 18, 2006, WATER & SEWER MEETING TO ORDER AT 8:07 A.M.

APPROVAL OF AGENDA:

MOTION: Herb Cooper moved to approve the Agenda. Joe Sarjeant seconded the motion, which passed unanimously.

APPROVAL OF MINUTES:

MOTION: Joe Sarjeant moved to approve the January 21, 2006, minutes. Herb Cooper seconded the motion, which passed with one abstention; Barb Rosenbrock.

Steve Koeckeritz noted that Jack Watson had notified the Board of his impending absence.

PRESIDENT'S REPORT: Steve reported that he, Jody and Rex attended a luncheon seminar a couple of weeks ago that was sponsored by American Funds and Edward Jones Investment. It recapped some of the information with regard to the Pension Fund that had been gone over with Gary Kietzman at a previous time. Gary did respond to Steve's phone calls this week and he is available to meet with regard to the Pension Fund within the next week. Gary will check into whether there are any complications involved in the Associations being able to fund a Simple IRA prior to the termination of the First National Bank account.

There was a meeting held in regard to the 6th Filing and attended by Herb, Jody, Daniel, and Steve on January 28th. It gave everyone a better understanding regarding the operational costs of the 6th Filing.

TREASURER'S REPORT: Written report by Herb Cooper showing the four cash accounts as reconciled to the bank statements through January 31, 2006, as follows: Major R & R-\$95,253.49, Operating Account-\$375,965.61, SIA-\$79,833.68, and ULPL \$319,942.01. Last month, the SIA balance was incorrectly reported at \$70,731.19 instead of \$79,731.19.

Steve stated it's about time to transfer funds from their Operating Account to their dedicated funds accounts, such as Major R & R, and ULPL. He also suggested that the Board should be able to look at preliminary budget figures at the March meeting.

MOTION: Joe Sarjeant moved to approve the Treasurer's Report. Barb Rosenbrock seconded the motion, which passed unanimously.

MEMBERS' COMMENTS: None.

MANAGER'S REPORT: Jody reported that, per the Board's request, she researched what is included in the revenue line item #49000. It included the water books, port a potty rentals, fees if a system doesn't have a quick coupler, REA dividends, rentals for the use of the backhoe, a class action settlement from Aon, and plant investment and impact fees for Elk Ridge Ranches and Pearl Creek. Steve asked Jody to make a recommendation as to how the plant investment and impact fees should be allocated. The 6th Filing storage tanks have been delivered and will be set in place as soon as weather permits. Jody asked Steve to sign an engagement letter from Rickards, Long & Rulon for the tax preparation.

MOTION: Herb Cooper moved that we have our President sign and accept the agreement for the tax engagement letter services. Barb Rosenbrock seconded the motion, which passed unanimously.

Water & Sewer received a property tax notice for Tract G in the 15th Filing. This tract should have been transferred to Water & Sewer from Don Weixelman some time back. This is a very small tract near trailer storage, and has the potential to be a future site for an upflow digester.

Jody informed the Board that the cost of thawing the sewer line on 06063 was \$930.00, half of which has been billed to the property owner.

Jody received a call from Ed Schemm from the County and they are beginning to look at a request for a septic system on 04058, which is above the lake. The health inspector is concerned because the proposal is for a new technology, which requires quite a lot of maintenance. Ed is willing to meet with the property owner, George Langel, contractor, and anyone from our Board and/or Jody.

Rick has passed his last exam for certification for small systems distribution. The County had asked us to meet this requirement. Jody suggests that we send Randy to the small systems collection class. Steve asked Jody to provide the Board with a description of certification, summary of the costs, and recommendation for the allocation of funds.

COMMITTEE REPORTS

1. SYSTEMS AS-BUILT AD HOC: No report.
2. 6TH FILING SYSTEMS OPERATIONS: No report.

OLD BUSINESS

1. METER READING RESPONSES OR FINES: Jody reported that all but 61 members have responded with meter reading information. Steve stated that in 2002 the Board established a \$100.00 penalty for anyone not installing their meter. Discussion followed as to how to respond to the 60 plus property owners who did not bother to reply to the Association's request. It was suggested that the Board have our attorney check as to whether there is an obligation to report those who have not responded to the State Engineers' Office. Jody was asked to research the procedures that have to be followed to impose fines and make a recommendation as to the process to be followed at the March Meeting.
2. ATTORNEY REVIEW OF RFSI DECREES: Bob Krassa has not responded on this issue as yet.
3. 6TH FILING
 - 6TH FILING MID-YEAR SUMMARY (FY 05-06): Not available at this time. Tabled to the March Meeting.

- CABINS ON SYSTEMS: Written report showing 34 cabins on the sewer system and 75 cabins on the water system.
 - VAULTS ON SEWER SYSTEM: There are 11 vaults on this system. System tap guidelines will eventually be developed.
 - SYSTEM TAP GUIDELINES: Tabled to the March Meeting.
4. INVESTMENT STRATEGIES: Jody informed the Board of interest paid on various types of accounts. After discussion on the options, it was decided to include the Road & Rec. Board in the discussion, as both Associations have to make decisions on how to invest funds in excess of \$100,000.00. The issue of an Investment Strategies Committee will appear on the Joint Meeting Agenda.

NEW BUSINESS

1. GUIDELINES & POLICY FOR DIGESTOR USE BY COMMERCIAL ENTITIES: Tabled to the March Meeting.
2. UPDATE ARTICLES OF INCORPORATION: Jody will update the Articles of Incorporation and have them ready for the Board to approve them at the March Meeting.

MOTION: Joe Sarjeant moved to adjourn. Herb Cooper seconded the motion, which passed unanimously.

THE WATER & SEWER MEETING ADJOURNED AT 9:58 A.M.

Respectfully submitted,
Bev Eddinger
Recording Secretary