

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, DECEMBER 16, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle,  
Josh McKenzie

GUESTS: Christine Clarkson, Ron Edwards, Dave Potts

The meeting was called to order at 7:00 P.M. by Shawna Verdi.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA:

A motion was made to accept the November 18, 2010 as presented and claims for December 2010 by Ron Squyres and seconded by Steve Rude. All in favor; motion carries.

REPORTS:

Revenue Summary - not available.

Financial - Shawna Verdi

Checking - \$12,000<sup>+</sup> and a deposit of \$12,000<sup>+</sup> with claims around \$39,000, no funds will be transferred.

Money Market Account - \$514,991.78

\$408,720.00 in bond payments due this month.

Maintenance - not available.

Operations - Ron Edwards

See Dec. Operator's Report for notes on Ron & Dave Potts meeting on Monday. Dave came up with 3 options (see p.2) and recommended using the motor we have (option 3).

Operations (cont.)

Does NorthWestern Energy assess a fee to start up motor for heavy load? Not that we are aware of.

Sharold stated that the elementary school is charged on peak.

Dave said that ABB will guarantee their equipment. Bond will cover wastewater, motor, ...

Well #1 failed during a brownout (Nov. 24, 2008) - insurance paid for damages. It is running good now - no VFD ATT.

Well #2 could benefit from a variable frequency drive motor (VFD). The change will take approx. one month. Doing a certified startup will enforce warranty.

There are panel problems in the Booster Station (Pumphouse). If pump #5 goes on, pressure will increase. All drawings are inside the Booster Station. Let's fix it!

Regarding well #2, Ron S. moved to go with Option #3.

Steve seconded. Discussion: We have to jump thru hoops for DEQ. We need TD&H to assist in this project costing \$30,000. Put the motor back in after rewiring and run by hand.

A vote was taken. Motion passed 5 - 0. TD&H will do shop drawings. Order custom-made panel.

Attach. C Wastewater Influent/Effluent & Monitoring Reports. Ron E. will graph to look for seasonal fluctuations.

Steve asked Ron to also graph cell nitrates.

Creating a berm around the cell(s) would help to contain smell. Steve then asked if a 67-unit subdivision could be added to the sewer system? Feasible.

Ron spoke to Patty White of MT Dept. of Revenue regarding taxable values. Kim Buchanan, Gallatin County Treasurer, will put a list together, then we will look at bond options. See Attach. D Correspondence.

REGULAR AGENDA:

Shawna asked for an increase in Christine's independent contractor compensation. Operator, Ron E., stated that Christine is very competent and invaluable.

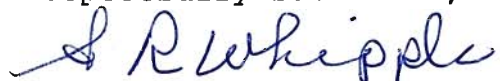
Ron S. made a motion to give Christine Clarkson, Office Manager, a 10% raise effective January 2011. Steve seconded the motion. Motion passed 5 - 0.

DEQ has approved water main extension plans and DNRC is on the verge of approving water right place-of-use change.

Should Wild Horse Subdivision be annexed? Discussion: No!

Steve moved to close the meeting. All in favor. Meeting adjourned at 8:20 P.M.

Respectfully submitted,

  
Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, NOVEMBER 18, 2010

The meeting was called to order at 7:04 P.M. by Shawna Verdi.

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle.

ABSENT: Josh McKenzie

GUEST(s): Christine Clarkson, Ron Edwards, Eddie Muniz.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA:

Steve made a motion to approve the October 21 minutes as presented and pay the claims in that amount of \$23,473.08. Ron seconded. Motion carried. 4-0.

REPORTS:

Revenue Summary - Christine Clarkson. See printout.

Christine requested that we obtain a few more Federal signs posting warning(s).

The bond payment paperwork has arrived and will be brought to the December meeting for 2 board members to take to the bank and pay the two bond payments due the end of December.

127 surveys have been returned.

Financial - Shawna Verdi.

\$110,274.17 in checking and an additional deposit of \$28,432.35

\$430,802.89 in Money Market I (for bond payments)

Transfer \$84,000 to MMA I and \$12,000 to MMA II.

\$58,000 will be transferred to the second MMA ATT,

being held in MMA I pending opening the second MMA.

Maintenance - Eddie Muniz.

A wooden post by N. River Rock was repaired and cemented.

Operations - Ron Edwards.

Product has fallen below 250,000 gallons/day. Public Well#2 needs repairs to its check valve. Dave Potts, in Afghanistan, will do the repairs when he returns.

Booster Station Pump#1 has a new motor and new wiring. However, the controls need to be adjusted. Scott Martin has contacted the manufacturer's tech support. Ron contacted Dave Crawford for copies of the electrical drawings (as-builts) to assist Scott and the engineer who designed the booster station electrical system. Pump#2 has the same problem. See Attach. C for DMR Report and lab results. Groundwater readings are 5X higher than effluent.?. Call Jason to repair the air line in lagoon area.

REGULAR AGENDA:

Election of Officers - the board agreed to let office holders remain as is - Pres./Treas. Shawna Verdi, V. Pres. Ron Squyres, and SAA Sharold Buerkle.

ADJOURN:

Steve asked to close the meeting to the public to discuss litigation update as any information could be detrimental to the position of the Water Board. Ron seconded. Motion passes 4 - 0. Meeting is adjourned at 8:15 P.M.

Respectfully submitted,

*Suzette R. Whipple*  
Suzette R. Whipple, Scty.

ATTESTED BY:

*[Signature]*  
Board Member

WITNESS:

*[Signature]*

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, OCTOBER 21, 2010

PRESENT: Shawna Verdi, Steve Rude, Josh McKenzie  
ABSENT: Sharold Buerkle, Ron Squyres  
GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,  
Tammy Stromme, John Kauffman, Marty Gagnon

The meeting was called to order at 7:03 P.M. by Shawna Verdi.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA:

Steve Rude made a motion to accept the September 16 minutes as presented and pay claims. Josh McKenzie seconded.  
Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson

Landmark billings were adjusted. See summary.

Financial - Shawna Verdi

Checking - \$127,824.65 plus \$8,431.00 pending deposit  
Money Market Acct. I (Bond payment) - \$356,751.11  
Money Market Acct. II (Capital Improvements Funds) -  
Pending transfer of \$46,000 to open account

Therefore, transfer \$73,000 to MMA I and  
\$12,000 to MMA II.

Maintenance - Eddie Muniz

Scenic City has cleaned all lift stations  
Christine gave status of the pumps:

Maintenance: (cont.)

pump 1 - install went ~~away~~  
pump 2 - not coming on on auto  
pump 5 - won't shut off without pulling breaker. Maintenance continued in operator's report.

Operations - Ron Edwards

Public well #2 - needs valves replaced  
Consulted with Dave Potts about new wiring - replace wiring while removing pump, if Board concurs.

Steve made a motion to have Potts pull old wires and replace with new check valve, add 15 hours of labor totalling approx. \$5,400. Josh seconded. All in favor; motion passes.

Pump #2 - after pump #1 is on-line, Operator would like to Dave look at pump #2

Looking at test results, nitrates have gradually increased over the past 10 years. Cause?

Pump #3 - impellers need to be rebuilt during the winter  
Results from the 20 samples are in and mailed to residents tested. District needs to do 20 more samples again once in the next 3 years.

Resident, Tammy Stromme, reported experiencing air in lines when the water was ~~shut~~ off.

REGULAR AGENDA:

Income Survey - Marty Gagnon said that Christine has the letters, and envelopes for Callie to mail. FYI - vacant lots do not count leaving approx. 1,120 surveys to be sent out.

Morrison-Maierle Inc. update:

Marty said that selecting a membrane manufacturer for the sewer plant must be approved by Rural Development (RD).

Then, put into RD for grant money. RD will drive schedule. Todd Teagarden is contact at SRF.

Feb - Mar 2011, MMI will return to design.

Election filings not needed ATT.

ADJOURN:

There being no further business, Steve motioned for closure of meeting to the public for litigation update and discussion with Attorney, John Kauffman. The Board having found that an open meeting would have a detrimental effect on the litigation position of RRCW&SD, when discussing claims, strategies, and possible settlement of issues in Micech v. RRCW&SD closed the meeting pursuant to Section 2-3-203(4) MCA.

Motion was seconded by Josh. Motion passes with 3 ayes.

Meeting is adjourned at 8:15 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:





RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, SEPTEMBER 16, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Josh McKenzie,  
Sharold Buerkle  
GUESTS: Christine Clarkson, Ron Edwards

The meeting was called to order 7:05 P.M. by Shawna Verdi,  
President.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA:

Steve Rude made a motion to accept the August 19 minutes as  
presented and pay claims in the amount of \$30,172.34.  
Ron Squyres seconded the motion. All in favor, motion carried.

REPORTS:

Revenue Summary - Christine Clarkson

See report of billed amounts and deposits.

Financial - Shawna Verdi

Checking balance	-	\$60,694.54
pending deposit	+	11,743.16
		<hr/>
		\$72,437.70

Money Market Acct. I - \$311,492.38 for payment of bonds.

Steve made a motion to modify the \$20,000 buffer in  
checking to \$10,000. Sharold seconded the motion.  
All in favor, motion carried.

Therefore, transfer \$46,000 into the new MMA.

Sharold made a motion to establish a Capital Improvements  
Funds MMA Account. Open at \$46,000 this month and add

\$12,000 each month thereafter. Steve seconded the motion. All in favor. Motion passed.

Maintenance - Not available.

Operations - Ron Edwards

See Operator's Water Report.

Water production started to drop after Sept. 1. The demand is about 1/2 million gal per day. Over the Labor Day weekend booster pump #4 went down. Scott Martin thinks the starter has failed. Ron E. called Scott during the meeting and put him on speaker-phone. Repairing the soft start will be expensive, \$3,900 just for a new starter. Roughly an 8 hr. job at \$60/hr.

There is a newer style on pump #5. Steve doesn't like the idea of spending money on investigating and possibly not fixing the problem. Ron E. discussed time frame. Order new starter, schedule Scott to install. Scott is busy and going out of town but willing to fit it in. Steve said the turnaround time is good and Scott cooperative.

Marty W. is working on pump #5 service pump control valves (replace actuating solenoid). Steve made a motion to purchase a new starter for pump #4. Ron S. seconded. Motion carried 5 - 0.

Other items discussed were

Northwestern checked electric levels - within limits

Lift Station #2

Dept. of Revenue - tax values

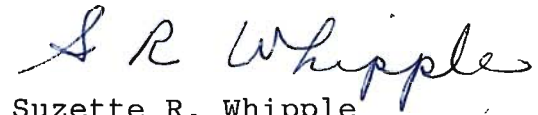
Income survey

Insurance coverage for home damaged by sewer backflow

Willows along lagoon fencing

Meeting adjourned 8:00 P.M.

Respectfully submitted,



Suzette R. Whipple

Secretary

ATTESTED BY:

  
Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
Thursday, August 19, 2010

PRESENT: Sharold Buerkle, Shawna Verdi, Steve Rude,  
Josh McKenzie, Ron Squyres  
GUESTS: Christine Clarkson, Ron Edwards, Eddie Muniz

The meeting was called to order at 7:00 P.M.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA:

Steve made a motion to accept the July 15 board meeting minutes and pay the claims in the amount of \$28,861.63. Ron seconded the motion. Motion carried 5-0.

REGULAR AGENDA:

The income survey will be conducted by Midwest in Sept./ Oct. Each business in the commercial buildings will be counted as a connection. If there are 1,200 hookups, 13% response to the survey would be required (156 returns).

When the pump in Well #2 turns on, the ground shakes. It has an electrical problem as well.

REPORTS:

Revenue Summary - Christine Clarkson.

Deposits included a payment from Potter Clinton Dev.

Financial - Shawna Verdi.

\$71,001.18 in checking acct.  
+ 31,124.29 pending deposit  
\$102,125.47

\$251,367.44 Money Market Account

Transfer \$60,000 from checking to MMA.

Maintenance: - Eddie Muniz.

No specific problems except Well #2.

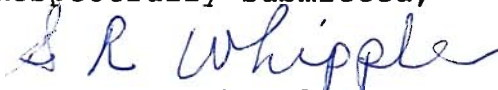
Operations - Ron Edwards.

TD & H has turned in the application for water rights to DNRC. And plans to DEQ.

TD & H sent a bill which includes utility mapping (which has already paid). The bill is for the survey party chief.

There being no further business, Ron moved to adjourn the meeting. Josh seconded. All in favor. Meeting adjourned at 7:30 P.M.

Respectfully submitted,

  
Suzette R. Whipple, Scty.

ATTESTED BY:

  
Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
Thursday, July 15, 2010

PRESENT: Shawna Verdi, Sharold Buerkle, Josh McKenzie,  
Steve Rude

ABSENT: Ron Squyres

GUESTS: Christine Clarkson, Ron Edwards, Eddie Muniz

The meeting was called to order at 7:00 P.M. by Shawna Verdi, Pres.

PUBLIC COMMENT/REQUESTS: None.

CONSENT AGENDA: Approval of June 16, 2010 minutes, July claims, and Ratification of MMI agreement for preliminary design dated 6/14/10. A motion was made by Steve Rude to accept the above items - Sharold Buerkle seconded. Motion passed 4 - 0.

REGULAR BUSINESS:

July 8 Shawna met with Rural Development to discuss requirements to qualify for a grant or loan. Phase I will be approx. \$170k. USDA RD requires an income study be conducted. Midwest's Kallie will do the study. They provide loans 30 - 40 yrs. at 4%.

Leaning towards general obligation (GO) bonds - attach to taxes.

It would be a good idea to be a member of the Rural Water

REPORTS:

Revenue Summary - Christine Clarkson

Meters were read 6/16. July will be read Mon. 7/19 and Tues. 7/20. Irrigation will increase due to grass drying up.

Financial - Shawna Verdi

\$72,669.98 in checking  
\$234,243.38 remaining in MMA after bond payments  
\$17,000.00 transferred to MMA

Sewer backup repairs are ongoing on N. River Rock home.

Maintenance - Eddie Muniz

Eddie has been "exercising" valves  
Todd King was called regarding Lift Station 1

Operations - Ron Edwards

See Operator's Report. to avoid the pump on Well 2 from staying off until manually reset, Ron recommended installing a switch to bypass the phase protection.

A motion was made by Sharold Buerkle to have Scott Martin from Kredit Electric install a switch that will allow the Franklin phase protection to be bypassed.

Steve seconded. Motion carried 4 - 0.

Shawna signed the contract to hire Robert Murdo as bond consultant. Sharold made a motion to adjourn. All in favor. Meeting ended approx. 8:30 P.M.

Respectfully submitted,

*Suzette R. Whipple*

Suzette R. Whipple, Scty.

ATTESTED BY:

*Shawna Verdi*

Board Member

WITNESS:

*Steve Pude*

RIVER ROCK COUNTY WATER & SEWER DISTRICT

BOARD OF DIRECTORS MEETING MINUTES

Wednesday June 16, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle,  
Josh McKenzie

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards, Scott Quinn,  
Marty Gagnon, Robert Murdo, Alden Beard

The meeting was scheduled on Wednesday to accommodate the attendance of Mr. Murdo and Mr. Beard. The meeting was called to order at 7:02 P.M. by board president, Shawna Verdi.

PUBLIC COMMENT:

Scott Quinn, president of the River Rock Property Owners Association, offered the Community Center as a meeting place. The RRCW&SD will no longer meet at the POA Office.

CONSENT AGENDA:

1. Approval of claims - \$23,886.37
2. Approval of May 20th minutes
3. Bond payments - \$208,720 from the Money Market Account
4. TD & H contract - water main extension

Ron Squyres made a motion to approve the consent agenda items. Steve Rude seconded. All in favor. Motion carried.

REGULAR AGENDA:

Alden started the discussion of options to finance the design and construction of a new wastewater treatment plant. He provided a detailed Memorandum (green).

The District will need:

- Seed money
- Interim financing for design
- Bond counsel



The district has existing debt - a State Revolving Fund (SRF) loan. Rates were increased in March 2009 to build revenue. Base charges were raised \$9.50 per connection monthly.

Robert (Bob) stated that operations and maintenance will increase with new system.

Alden figures that each connection will need to increase \$26 monthly, pay a special assessment or tax. This does not affect Landmark and Cobblestone.

The District can survey River Rock residents to determine qualification for grant money.

Josh stated that the timeline for design can begin while financing is arranged.

8:45 P.M. Break!

9:15 P.M. Meeting continues...

A motion was made to retain Bob Murdo as bond consultant by Ron. Steve seconded. All in favor. Motion carries.

A motion was made to pursue an income survey of River Rock residents by Ron. Steve seconded. All in favor. Motion carries.

Marty Gagnon discussed status of Morrison-Maierle, Inc. (MMI) contract. He has the contract(s) awaiting OK from DEQ. Marty will call Travis.

#### REPORTS:

##### Revenue Summary - Christine Clarkson

See report for June 2010

There was a huge leak on West Shore Dr.; 40 ft. to crawl space of 4-plex. The resident had to replace sewer line while extending pad.

Financial - Shawna Verdi

\$65,273.12 in checking  
\$414,752.30 in MMA  
Transfer \$ 28,000 to MMA

Maintenance - Eddie Muniz

Recommend cleaning lift station at W. Vela every 2 months.

Operations - Ron Edwards

See report.

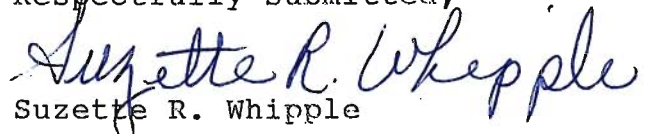
Pump #2 hasn't been running- could be a float.?

Insurance company will cover cost of filtration system  
for Wild Horse Trail north of River Rock.

Working on budget; hearing only if rates change.

Meeting adjourned 9:40 P.M.

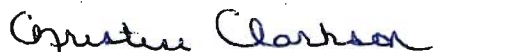
Respectfully submitted,

  
Suzette R. Whipple  
Secretary

ATTESTED BY:

  
Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT

BOARD OF DIRECTORS MEETING MINUTES

THURSDAY MAY 20, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle,  
Josh McKenzie

GUESTS: Marty Gagnon, Stoney Wahl, Scott Quinn, Christine Clarkson,  
Ron Edwards

The meeting was called to order at 7:00 P.M. by Board President,  
Shawna Verdi. Floor was opened to Public Comment.

Guests Scott Quinn and Stoney Wahl from the River Rock  
Property Owners Association Board of Directors spoke about  
the feasibility of drilling one or more wells for irrigation.  
And a <sup>building</sup> public restroom/wash station by the lake would need  
to be connected to water and sewer, possibly tapping in  
at the Community Center.

CONSENT AGENDA:

Ron Squyres motioned to approve the Consent Agenda items -  
April Minutes and Claims. Steve Rude seconded. All in favor.  
Motion carried.

REGULAR AGENDA:

Steve made a motion to have Care & Quality spray the weeds  
around the lagoon. Ron seconded. All in favor. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson  
Lawn sprinkling should reflect an increase in revenue.

Financial - Shawna Verdi

Checking \$57,483.27  
+ 5,883.02 deposit  
Money Mkt \$406,519.13  
+ 8,000.00 transfer

Bids on repairs to residences damaged by backflow are \$5,469\* and \$7,355. Caused by a bad float, so put in dialer alarm. Is functioning, but needs upgrade.

Maintenance - No report. Shawna - Christine or Garye can do shut-offs if Eddie is not available. Christine - Shut-offs need to be done timely.

7:15 P.M.

Operations - Ron Edwards

Ron submitted a bill for \$875. He distributed the Operator's Report.

- . Well #1 having pressure problems. AA75% drop in production.
  - . Met with Scott Murphy re: <sup>electrician,</sup> NorthWestern Energy's problem with phase balance. Scott submitted a bid to replace float.
  - . Lift Station #2 has \$10K in damages.
  - . Paul Levine was given documents to verify agreements.
  - . Gallatin Valley Fire District fills their trucks from the lake and tests hydrants.
- See report for more detailed info.

PUBLIC HEARING and Decision on Resolution on Morrison and Maierle contract modification for sewer system design phase.

First call for comment. Second call. Third <sup>^</sup> call. No comment.  
\* final

Board discussion: M&M needs okay from DEQ.

Wastewater Treatment Plant with Marty (Northwest Hydrotech-  
Hidden Lake, Idaho). Timeline and costs:

Summer 2010	Vote to incur debt Bond election
Fall 2010	Sell revenue bonds Bid phase
April 2011	Construction phase
February 2012	Completion

Donna made a motion-To enter into a contract with Morrison-  
Maierle, Inc. for the design of an MBR, contingent on  
1. approval by DEQ, that advertising was sufficient, and  
2. MMI attachment of standard SRF contract provisions.

Josh seconded the motion. Vote 4 - 0 with 1 abstaining.  
Motion passed.

PUBLIC HEARING and Decision on Potts Drilling proposal for new  
transducer for PW1.

First call for public comment. Second, Third & final call.  
No comment.

Board discussion: Board was ready to act. Motion was  
made to accept Potts Drilling's proposal for new  
transducer for PW1. Seconded. All in favor. Motion carried.

PUBLIC HEARING and Decision on AWWSS proposal to replace floats  
with Ultrasonic Level Switches in lift stations.

Open floor for public comment. Second call. Third & final call.  
No comment.

Board discussion: Ron - costly advanced system which may fail.

Sharold - contact Tyler about insurance.

Shawna - if we do Lift Station #2 and see how it works.

Marty - use 1 existing float.

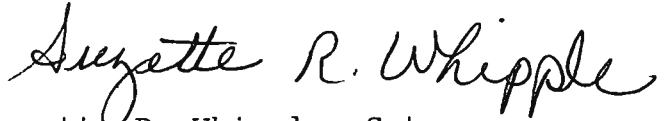
Steve made a motion to install ULS in Lift Station #2.

Ron seconded. All in favor. Motion passed.

There being no further business, Steve motioned for closure of the meeting to the public for litigation update and discussion. The Board, having found that an open meeting would have a ~~detrimental~~ effect on the litigation position of RRCW&SD, when discussing claims, strategies, and possible settlement of issues in Micech v. RRCW&SD closed the meeting pursuant to Section 2-3-203(4) MCA. Ron seconded the motion. All in favor Motion passed.

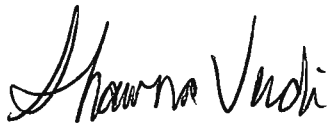
Meeting adjourned approx. 8:30 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY – APRIL 15, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle, Josh McKenzie  
GUESTS: Rosie Barndt, Ron Edwards, Rick Tuninga, Christine Clarkson,

The meeting was called for order at 7:10 P.M. by Shawna Verdi. Steve made a motion to accept the minutes as written. Seconded by Ron. All in favor. Motion carries.

CITIZENS COMMENTS / REQUESTS: Mr. Tuninga came to the meeting to protest the \$50.00 shut off fee. He also had a question on the current charges on his bill for Feb - Mar. The Board explained that the shut off fee is a standard charge and Christine will look into his bill.

CONSENT AGENDA: Steve made a motion to approve the consent agenda. Seconded by Ron. All in favor. Motion carried.

REPORTS:

Revenue Summary – Christine Clarkson

The financials look good. We have about 15 – 20 foreclosures. There are 2 units in Copper Bloom that are in 10 day status but they're in the buildings without separate shut offs. It was decided that we should pursue the tax lien for these properties.

Financial – Shawna Verdi

Checking \$47,722.65  
MMA \$386,226.19  
Transfer \$20,000.00 to the Money Market Account.

Maintenance – No Report

Operations – Ron Edwards

Ron reported that usage was up a bit – over 200,000 per day. The Bac T samples came back fine. Chlorine is only reported on the reading at the booster station and a copy of that current report was attached to Ron's report.

The Phase Protection was installed at well # 2 but since installation we've been getting alarms so well # 2 is off line right now while Potts Drilling and Kredit try to work out the issue and refigure the tolerance levels for the power. If that doesn't resolve it, we'll need Northwestern Energy to check their lines.

The Discharge Permit went into affect on 4/1/10 with new monitoring requirements. Ron will begin the new reporting this month and will include these reports with his monthly report.

Blower #3 is back on line and the system is rotating through the cycle of 2 on full time.

The dialers were installed at lift station # 1 and # 2. # 1 is operational and Ron will work on the dialer for # 2 in the next couple weeks.

Ron worked on the 2010 budget and attached a copy with his report. He went over the line items based on the 2009 totals to come up with the 2010 numbers. Steve asked if we should open a separate money market account for depreciation. Making some minor adjustments should bring the budget close to 0.

Audit Report- Rosie Barndt

Rosie went over the audit. There was an increase in assets. Accounts Receivable went up approximately 17% and Revenue went up approximately 20%. We met the 120% reserve for this year. Rosie added \$4000.00 in capital assets for the fail safes that were installed. She will send the depreciation schedule of assets to Ron to work into the budget. Rosie also said it was a good idea to have a capital asset reserve account with a plan to explain what the account was for. When preparing the audit, Rosie allocates the total admin charges based on a percentage of time for water and sewer separately. The attorney confirmation letters were received and as they cannot estimate the outcome of the lawsuit, no further action is required. Rosie encouraged the District to keep up with doing budgets each year. There are no new communication requirements this year so the same letters as 2008 will apply. She will complete the audit and get the final to us in the next week or so and then it will be published in the paper.

The meeting was opened to a Public Hearing and Decision on a Change of Use for the Permit. Public comment was called for 3 times. Hearing no public comment, the public hearing on the Change of Use for the Permit was closed. Steve reminded the Board that they'd reviewed a draft of the resolution back in March. Susan Swimley made a few modifications to the resolution which was presented to the Board for review. Josh asked for a brief background on why we would request a change of use. This would be Resolution 2010-1. Sharold made a motion to move forward with Resolution 2010-1. Ron seconded. All in Favor. Motion Carried.

Ron then made a motion to enter into a contract with T D & H for the change of use application. Seconded by Steve. All in favor. Motion carried.

The meeting was opened to a Public Hearing and Decision on Sewer System Modifications. Public comment was called for 3 times. Hearing no public comment, the public hearing on Sewer System Modifications was closed. Shawna explained that a meeting was held on 4/9/2010 with some Board members on options that the District has for modifications. There was discussion on the pros and cons of each option and what would be the best for the District. There had been discussion at the meeting on Friday as to which option would be the fastest to start bringing the system into full compliance and those key points were discussed again. Ron made a motion that we pursue Alt C-6 Membrane Bi-Reactor as a means to improve the sewer system. Steve seconded. All in favor. Motion carried.

Steve then made a motion to correct the contract with Morrison Maierle to add an amendment that includes the language required by the State. Ron seconded. All in favor. Motion carried.



The meeting was opened to a Public Hearing and Decision on the request to connect to the Sewer System. Public comment was called for 3 times. Hearing no public comment, the public hearing on the request to connect to the Sewer System was closed. Sharold made a motion to deny the request by Robert Crosiar to connect to River Rock's sewer system. Steve seconded. All in favor. Motion carried.

There being no further business, the meeting adjourned at 9:08 P.M.

Respectfully submitted,

*Christine Clarkson*

Christine A. Clarkson, Office Mgr.

ATTESTED BY:

*Sharon Wade*

Board Member

WITNESS:

*Steve Rude*

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
PLANNING MEETING  
FRIDAY- APRIL 9, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Marty Gagnon, Eric Blanksma, Travis Meyer, Ron Edwards

The meeting was called for order at 12:05 P.M..

The purpose of this meeting was to discuss options available to the District to make updates to the sewer treatment plant. The design for 140 GPM (currently at an average of 120 GPM) is in the first phase.

The options Morrison Maierle developed are as follows:

Alt C-2 Service provided by the City of Belgrade. This would require the installation of piping down to the Flying J. Belgrade currently does not have the capacity to add River Rock.

Alt C-3 Land Application. There are 3 possible locations however there are roadblocks to these locations. There is a 20 acre gravel pit that will be going to auction soon. The District could purchase the land and hold onto it for now. Steve suggested we plan for a possible increase in capacity.

Alt C-4 Adding to the existing lagoons. A new membrane would add \$1.5 million.

Alt C-5 Oxidation Ditch

Alt C-6 Membrane Bi-Reactor. This would be the fastest option to implement. With the cost of improvements, we should be able to almost meet the target rate which would qualify the District for TSEP. It was discussed if Phase 1 could be done now without the TSEP as we missed the application date and then down the road apply for the TSEP for Phase 2.

It was suggested to pick an alternative, finish and submit the PER and as we're already on the list for an SRF start designing in August or September and bid next March so building can begin next year.

A rate increase would be required. A discussion was held that we should try to increase rates before the District runs out of reserve money and possibly before requesting a loan.

The District will need to conduct a Public Hearing and hear public comment before making a final decision.

At 1:34 PM Ron S made a motion to adjourn. Steve R seconded. All in favor. Motion carried.

Respectfully submitted:



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Ron Squyres, Board Member

River Rock County Water & Sewer District  
Board of Director Meeting Minutes  
Thursday, March 18, 2010

**Present:** Shawn Verdi, Steve Rude, Sharold Buerkle, Ron Squyres, and Regina Demis

**Guest:** Christine Clarkson, David Potts, Suzette Whipple, and Ron Edwards.

**Absent:** Josh McKenzie and Eddie Muniz

The meeting was called to order at 7:09 p.m. by Shawn Verdi. Steve Rude moves to accept the minutes and Ron Squyres seconds the motion for Feb. 18 minutes. Motion carried.

**Citizens Comments:** None

**Claims:**

<b>March 2010 Water District Bills</b>	
<b>BILL</b>	<b>AMOUNT</b>
Bridger Analytical Lab - 1 @ \$112 / 1 @ \$470 / 1 @ \$268	\$ 850.00
A W W S	\$ 1,075.37
Scenic City Pumping	\$ 712.50
Susan B Swimley	\$ 106.39
Chempace	\$ 777.00
Belgrade Plumbing (back up at 835 NRR)	\$ 118.50
Qwest	\$ 44.31
Ron Edwards	\$ 462.50
Eddie Muniz	\$ 725.00
Christine Clarkson (Salary \$2500 / Phone \$40)	\$ 2,564.50
Gary Ullman	\$ 33.00
Northwest Energy for March	\$ 6,732.33
Directors Pay	\$ 400.00
Secretary Pay	\$ 60.00
<b>TOTAL</b>	<b>\$ 14,661.40</b>

Motion was made to pay claims presented and include payment to Ron Edwards of \$462.50 and Eddie Muniz of \$725.00 by Steve Rude, and seconded by Sharold Buerkle. All in favor, motion passes.

**Reports:**

Revenue Summary: Christine Clarkson has nothing to report.

Financial: Shawna Verdi

Checking	\$76,125.74
MMA	\$335,986.95
Transfer	\$50,000.00 to the Money Market Account.

Maintenance: No report.

Operations: Ron Edwards

- 1.) Add electrical phase protectors to wells. David Potts from Potts Drilling recommends to add protector to Well 2 because the current protection is inadequate. Well 1 is okay. Ron Squyres moves to have Potts Drilling and Kredit electric install a digital motor protector. Steve Rude seconds the motion, motion passes.
- 2.) Water usage is average.
- 3.) Department of Environmental Equality (DEQ) ??????
- 4.) Dfg
- 5.) Sdf
- 6.) Blowers will be up and running by March 23.
- 7.) Ron suggests to have the lift stations have phone lines hooked up so that they can call programmed numbers when there is an emergency. Sharold moves to install phone lines to lift stations. Steve Rude seconds, motion is carried.
- 8.) Environmental Protection Agency (EPA) survey is being required. Ron Edwards has already filled it out and submitted it, a copy is attached to his report.

**Old Business:**

- 1.) Budget: Further discussion is taking place between Ron Edwards and Christine Clarkson.
- 2.) M & M
- 3.) Ron Edwards attorney fees: Steve Rude moves to accept the agreement as presented on March 5. Ron Squyres seconds the motion, motion carries. Steve Rude makes a motion to pay attorney fees, totally \$1,289.81. Sharold seconds, motion carries.

**New Business:**

- 1.) Sharold moves to accept the secretary's resignation and hire Suzette Whipple. Steve Rude seconds, motion passes.
- 2.) A draft of Place of Use has been discussed. Authorizing Activities and Expenditures to Expand Water Right Place-Of-Use is still being worked on.

**Adjourn:**

Steve Rude moves to adjourn the meeting at 8:20 p.m. and Sharold Buerkle seconds the motion. All in favor, motion passes, meeting is adjourned.

Respectfully submitted,

Regina Demis, Scty.

Attested by: Shawna Verdi  
Board Member

Witness: Steve Rude

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
 BOARD OF DIRECTORS MEETING MINUTES  
 THURSDAY – FEBRUARY 18, 2010

PRESENT: Shawna Verdi, Steve Rude, Ron Squyres, Sharold Buerkle  
 ABSENT: Josh McKenzie  
 GUESTS: Christine Clarkson, Eddie Muniz

The meeting was called for order at 7:05 P.M. by Shawna Verdi. Steve made a motion to accept the minutes as written. Seconded by Ron. All in favor. Motion carries.

CITIZENS COMMENTS / REQUESTS: None

CLAIMS:

February 2010 Water District Bills	
BILL	AMOUNT
Bridger Analytical Lab - 2 @ \$112 / 1 @ \$940	\$ 1,432.00
First West Insurance (Qtrly Installment)	\$ 1,022.00
First West Insurance ( D & O Policy)	\$ 1,598.00
Power Service of MT (Blower Maintenance)	\$ 1,365.05
Brilliant Electric (Repair Security Lights)	\$ 845.30
Northwest Pipe (System Maint on software)	\$ 750.00
Bridger Fence (repair fence at well 2)	\$ 300.00
Kredit Electric	\$ 187.00
Burk Excavation (Dozer work on ponds)	\$ 880.00
Qwest	\$ 44.31
NW Hydrotech	\$ 300.00
Ron Edwards	\$ 725.00
Eddie Muniz	\$ 300.00
Christine Clarkson (Salary \$2500 / Phone \$40)	\$ 2,540.00
Gary Ullman	\$ 22.00
Northwest Energy for February	
Directors Pay	\$ 400.00
Secretary Pay	\$ 60.00
Shannon & Robert Locknane (refund of overpmnt @	\$ 34.80
Rental Professionals (refund of overpmnt @ 91 NS # 2)	\$ 74.79
Eric Brouillette (refund of overpmnt @ 75 Wally D)	\$ 39.35
<b>TOTAL</b>	<b>\$ 12,919.60</b>

Sharold made a motion to pay claims as presented; Ron seconded. All in favor. Motion carried.

## REPORTS:

### Revenue Summary – Christine Clarkson

There is nothing unusual to report.

### Financial – Shawna Verdi

Checking \$83,350.87

MMA \$287,775.53

Transfer \$48,000.00 to the Money Market Account.

### Maintenance – Eddie Muniz

Eddie reported that another curb stop leak was located and repaired. There was an alarm at the E Vela lift station. Eddie will contact AWWWS to check everything out. He is also planning on to get the lift stations cleaned in April for maintenance. There was discussion about pump # 5 still being down. We'll need an update from Ron E on what's going on with this pump.

### Operations – Ron Edwards

Ron was unable to attend the meeting in person but sent his report for the Board to review. In his report he addressed the motor for blower # 3 and the need for approval to place the order. A quote was faxed from Power Service of MT for a cost of \$2,050.00 for the motor. Steve made a motion to get the motor ordered. Ron and Sharold both seconded the motion. All in favor. Motion carried.

At 7:40 PM the meeting was opened to a Public Hearing regarding Ron Edwards request for attorney assistance. The meeting was opened for public comment. No public in attendance, public hearing closed. A decision was tabled until Ron Edwards is present at the meeting with his copy of the agreement with his attorney's comments.

At 7:45 PM the meeting was opened to a Public Hearing regarding a decision on modifying the place of use on the water permit. The meeting was opened for public comment. No public in attendance, public hearing closed. Steve has spoken to Susan Swimley and while she isn't against modifying the place of use, there needs to be a compelling reason for the change. Ron S asked about the potential for DEQ to reduce our allowed acre per feet if we aren't using as much as we have the right for. Steve said there would be no net loss to groundwater but this issue needs to be approached very carefully. We would need an encroachment permit from the County Road Department to run the line. Currently, we don't have a compelling reason to benefit our constituents so unless the attorneys can come up with the correct approach, no further action will be taken on this issue at this time.

NEW BUSINESS:

Budget – There was discussion of the budget Christine brought to the meeting. There are areas that are incomplete as Christine was unsure of what some numbers were or where they should be in the excel spreadsheet.

Morrison & Maierle – There was discussion on the District's ability to pay Morrison & Maierle design fees up front at this point rather than going for a revenue bond, etc for that money.

Comprehensive Maps – The Board discussed obtaining the comprehensive maps from T D & H that Ron E requested. The additional cost for these maps with GPS coordinates would be approximately \$700.00 for a total of about \$3,000.00 for everything we'd discussed. Shawna pointed out that as we're almost at full build out, there would be very little if any changes. Sharold made a motion to contact T D & G to prepare the comprehensive maps. Ron seconded. Motion carried. Sharold requested that Ron E contact T D & H to let them know.

Elections – Shawna opened the floor for nominations for President. Steve nominated Shawna to continue as president. Sharold moved to case unanimous ballot for Shawna as president. Steve seconded. All in favor. Motion carried.

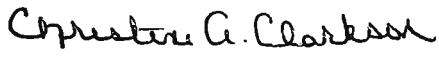
Shawna opened the floor for nominations for Vice President. Steve nominated Ron for Vice President. Ron nominated Steve for Vice President. No additional nominations. Sharold moved that nominations cease. Steve seconded. All in favor. Motion carried. With a vote of 3 to 1, Ron Squyres is Vice President.


Shawna opened the floor for nominations for Sergeant at Arms. Ron nominated Sharold. Steve moved that nominations now cease and called for unanimous ballot to Sharold for Sergeant at Arms. Ron seconded. All in favor. Motion carried.

Landmark Water Company – Sharold said that he was contacted by a Landmark resident regarding the sale of Landmark Water Company and wanted to let the other Board members know. There was no discussion on the issue.

There being no further business, the meeting adjourned at 8:15 P.M..

Respectfully submitted,

  
Christine A. Clarkson, Office Mgr.



River Rock County Water & Sewer District  
Board of Director Meeting Minutes  
Thursday, January 21, 2010

**Present:** Shawn Verdi, Steve Rude, Ron Squyres, and Regina Demis

**Guest:** Christine Clarkson, Eddie Muniz, Josh McKenzie, and Ron Edwards.

**Absent:** Sharold Buerkle

The meeting was called to order at 7:05 p.m. by Shawn Verdi. Steve Rude moves to accept the minutes and Ron Squyres seconds the motion for Dec. 16 minutes. Vote 3-0-0 Motion carried.

**Citizens Comments/ Requests:** Dr. Michael Matterson was present to express his concerns and share that he his also being sued for water contamination. He read a letter that he had written and sent to the defending attorneys letting them know of the bogus claim of water contamination in regard to coli. The board thanked him for sharing and will stay in contact, but could not share any other information with him.

**Claims:**

<b>January 2010 Water District Bills</b>	
<b><u>BILL</u></b>	<b><u>AMOUNT</u></b>
Bridger Analytical Lab - 1 @ \$28 / 1 @ \$268 / 1 @ \$470	\$ 766.00
A W W S	\$ 639.64
Energy Labs	\$ 920.00
Susan Swimley	\$ 323.82
Montana D E Q (Pub Wtr Supply Fee Pmnt)	\$ 2,040.00
Black Mountain Software (Annual Maintenance)	\$ 1,361.00
Northwest Pipe (parts to repair leak at pump house)	\$ 53.05
Qwest	
Kredit Electric (Electrical repairs from Aug 2009)	\$ 4,311.19
Hawkins (Chlorine)	\$ 4,371.36
Postage (20 rolls .28 & 5 rolls .44)	\$ 780.00
Ron Edwards	
Eddie Muniz	
Christine Clarkson (Salary \$2500 / Phone \$40 / \$169.02 Office Supplies)	\$ 2,709.02
Gary Ullman	\$ -
Northwest Energy for December	\$ 6,991.12
Directors Pay	\$ 320.00
Secretary Pay	\$ 60.00
Misty Cook (reimb for overpayment from sale of 136 GTD)	\$ 36.58
Daniel & Rebecca DesLauriers (reimb for overpayment from sale of 91 NS # 2)	\$ 23.04



Premium Rentals (reimb for overpayment from sale of 109 Woodman)	\$ 28.02
Blower Repair	\$ 236.03
<b>TOTAL</b>	<b>\$ 25,969.87</b>

Motion was made to pay claims presented by Ron Squyres, and seconded by Steve Rude. All in favor, 3 ayes, motion passes.

**Reports:**

Revenue Summary: Christine Clarkson has nothing to report.

Financial: Shawna Verdi

Checking	\$69,596.10
MMA	\$266,566.31
Transfer	\$21,000.00 to the Money Market Account.

Maintenance: Eddie Muniz reported that the blower line was repaired and that that claim needs to be paid, amount being \$236.03. Steve Rude makes a motion to pay the claim and Ron Squyres seconds the motion, all in favor, 3 ayes and motion is carried.

Operations: Ron Edwards

- 1.) The water system demand is averaging 200,000 gallons per day.
- 2.) Well #2 is still down, Northwestern Energy confirmed power, Potts Drilling pulled the engine out and determined the motor was bad. A new one was ordered and installed; however there is still a problem and Kredit Electric has been called.
- 3.) Phase 2-5 Monitoring plan for River Rock have chemical requirements and are required. Results were very good. Next sampling will be for lead and copper in 2010.
- 4.) Wastewater System sampling was good, however well #2 had higher levels of nitrogen and chloride and Ron Edwards believes that is because Well #2 is closer to the IP cell #8.
- 5.) Blower #3 motor was pulled out by Power Services and taken to Billings. Ron Edwards asked about the warranty on the motor and nothing has been heard. Blower #1 and #2 are running 24/7.

**Old Business:**

- 1.) Steve Rude makes a motion to table Elections and Ron Squyres seconds the motion, all in favor, 3 ayes. All in favor.
- 2.) Steve Rude makes a motion to appoint Josh McKenzie to fill in the vacancy on the River Rock County Water and Sewer Board. Ron Squyres seconds, all in favor motion is carried, 3 ayes.
- 3.) Budget is tabled until next meeting. Christine Clarkson and Ron Edwards will have better information.
- 4.) Ron Edwards requests for financial help with attorney bills has been tabled as well. Steve Rude will email out paperwork in regard to that matter.

**New Business:**

1.) Audit contract: Holmes and Turner issues a 3 year contract to do the audit for the River Rock County Water and Sewer Board. Steve Rude makes a motion to sign the contract as is and Ron Squyres seconds the motion. All in favor, motion passes, 3 ayes.

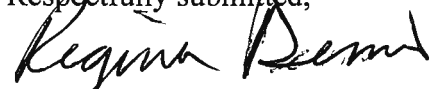
2.) Ron Squyres makes a motion to sign the contract with Morrison-Maierle, Inc. for sewer system work. Ron Edwards points out in his report the amount of liability is \$75,000 which is fine but if it is to include the design work then it is too low. Steve Rude seconds the motion and the motion is carried and the contract is signed. 3 ayes.

3.) Board was in favor of the proposal TD & H submitted for a comprehensive map of the water and sewer system; however they would like to know what it will cost in addition to having the GIS coordinates mapped out as well. Ron Edwards believes this would be very beneficial for him and Eddie. Ron Edwards and Christine Clarkson will find out the cost and get back to the board.

**Adjourn:**

Ron Squyres moves to adjourn the meeting at 8:35 p.m. and Steve Rude seconds the motion. All in favor, 3-0-0. Motion passes, meeting is adjourned.

Respectfully submitted,

  
Regina Demis, Scty.

Attested by: \_\_\_\_\_

  
Board Member

Witness: \_\_\_\_\_