

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, JANUARY 17, 2013

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

PRESENT: Shawna Verdi, Ron Squyres, Jared Kamp, David Keeney.

ABSENT: Sharold Buerkle.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon,  
Curtis Backlin, Cliff Wrobetz.

CITIZENS COMMENTS/REQUESTS: Mr. Backlin, newly elected to the  
RR POA BOD, had a question about irrigation schedule.

CONSENT AGENDA:

Ron S. made a motion to pay the claims totalling \$21,537.33  
and accept the Dec. 20, 2012 meeting minutes. Jared seconded  
motion. All in favor 4 - 0, motion carried.

REPORTS:

Revenue Summary - Christine Clarkson. See printout.

CDs will roll over Jan. 21 and Feb. 21. Ron S. asked for  
explanation, "What does Cincinnati insure? The infra-  
structure and buildings, and the D&O policy. Liability  
is covered by an underwriter and the District is shopping  
for a new carrier.

Financial - Shawna Verdi.

\$375,339.91 in checking (includes \$252,975.00 in project  
claims, leaving \$122,964.91) plus a pending deposit of  
\$20K+.

\$220,886.43 in MMI. \$260,550.58 in MMII.

Transfer \$88,000 to MMI and \$12,000 to MMII.

The 2012 audit was signed by board member(s).

Rosie will be leaving Holmes & Turner.

Williams Const. is asking for \$250,000<sup>858.06</sup> in payment and  
Morrison-Maierle \$~~133,965.00~~.

33,965.28

See Feb. 20 13  
claims JW

Maintenance - Eddie Muniz not available.

Operations - Ron Edwards. See report.

Well#2 is still in "OFF" position but can be manually turned on. Spoke to Dean Electric about soft-start.

Regarding test samples for maintaining certifications, Jared asked, "Do we do any secondary testing?". Ron E. replied, "We did that several years ago. It wouldn't hurt to do again."

REGULAR AGENDA:

Construction update - Marty gave Wms. Const. a 2-month extension to complete by June 2013. However, the District will not pay additional expenditures. Workers were given a week off rather than a winter shutdown.

The sewer line will be completed next week.

Do we need a new gate to replace the wooden one? Yes.

Board said okay. Replace wooden gate with a chain-link-fencing gate with no barbed wire on top.

Electricity to the blower building has been installed.

There has been a request from Wms. Const. for a 50/50 cost share on additional heat and cover to protect the project. All involved hope to meet the completion date of June 2013. Then, the equipment will be calibrated and up-and-running long before the DEQ deadline in October.

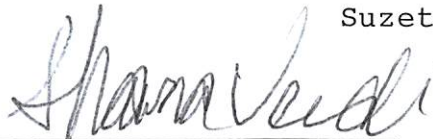
Ron S. asked that the meeting be adjourned. All in favor. Meeting ended at 7:40 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY: \_\_\_\_\_



Board Member

WITNESS: \_\_\_\_\_



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, FEBRUARY 21, 2013

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

PRESENT: Shawna Verdi, Ron Squyres, David Keeney,  
Jared Kamp.

ABSENT: Sharold Buerkle.

GUESTS: Christine Clarkson, Eddie Muniz, Marty Gagnon,  
Cliff Wrobetz.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron made a motion to pay claims in the amount of \$26,351.78, January draw to construction project for \$284,823.34, and \$8,159.75 to MT Dept. of Rev. (Gross Tax Receipts). He also motioned to approve the January 17, 2013 minutes as presented. David seconded the motion - motion carried.

REPORTS:

Revenue Summary - Christine Clarkson presented to the board a report of billings/receipts for the month of January. Income is strong and received a small check from the Gallatin County Treasurer for assessments paid. Eddie shut off water on two foreclosures.

Financial - Shawna Verdi.

\$381,717.12 in checking plus an \$18,069+ deposit pending.

\$308,936.52 in MMI

\$272,540.52 in MMII

March 18 an insurance payment will be due approx. \$9,300.

Transfer \$38,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie Muniz has been keeping an eye on manhole covers and has had ten repaired. He said there are about ten more that need attention. While waiting for warmer weather, he will contact Dan Morgan who did the latest ones. Cost will run about \$7,000 for ten.

Operations - Ron Edwards is in Great Falls attending a water conference. He faxed his report to Christine. Looking over the report, Ron noticed that the numbers were the same as last month. ~~Christine~~ will have Ron resend (Done!). Eddie found the expected leak that caused the numbers to rise in Dec/Jan. The leak was on Green Tree Drive.

REGULAR AGENDA:

Marty Gagnon gave a construction update. The contractor has trouble reporting an accurate schedule. Next, concrete will be poured. Neely Electric will lay conduits. Permit to Construct will be sent to Tom. The project is on draw #6.

Ron Squyres asked that the meeting be closed to the public while the board and others involved in the Morrison/Atkinson litigation discuss update. David seconded the motion.

Meeting adjourned at 7:25 P.M.

Respectfully submitted,

*S R Whipple*

Suzette R. Whipple, Scty.

ATTESTED BY:

*Shawna Uddi*

Board Member

WITNESS:

*[Signature]*

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, MARCH 21, 2013

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

PRESENT: Shawna Verdi, Ron Squyres, David Keeney.

ABSENT: Sharold Buerkle, Jared Kamp.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon,  
Cliff Wrobetz, Joe Seaman, Eve Parrow.

CITIZENS COMMENTS/REQUESTS:

Joe Seaman is interested in purchasing and building on commercial lot #2. There is a fire hydrant in the middle of the property. For design purposes he needs to move the hydrant. He spoke with the fire department and they deferred to the RRCW&SW Board to move the hydrant 50 ft. Ron Edwards asked, Who pays for the work? Shawna said the property owner would be responsible. The existing hydrant would be capped and relocated approx. 50 ft.

Dave made a motion to approve the removal of existing fire hydrant and relocating 50 ft. on Lot #2.

Ron seconded. Motion passed 3-0.

Mr. Seaman was accompanied by realtor, Eve Parrow.

CONSENT AGENDA:

Ron made a motion to pay claims presented and accept the February 21, 2013 minutes. David seconded. Motion carried 3 - 0. \$18,085.54 in operating costs and \$325,617.79 from construction draw.

REPORTS:

Revenue Summary - Christine Clarkson.

Rosie B. is finalizing the 2012 audit. The 120% of existing debt is approx. \$25,000 short. The board said it would redesignate CDs between water/sewer and open two new CDs. Each CD will have a designation

of water or sewer.

Christine requested a copy of As-Builts on CD. She spoke to Dave Crawford with TD&H. There are several printers that have the equipment to do this.

Ron made a motion to purchase a set of CD copies of the As-Builts. David seconded the motion. Motion passed 3 - 0. Christine will order the copies.

Financial - Shawna Verdi.

\$413,270.67 in checking plus a \$20,444.12 deposit pending.

\$346,998.41 in MMI

\$284,576.71 in MMII.

Transfer \$28,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie not available.

Operations - Ron Edwards.

A generator is needed, but what horsepower?

Ron S. made a motion to have Morrison-Maierle do an assessment to determine what size generator is needed.

David seconded the motion. Motion passed 3 - 0.

M-M's engineer, Marty Gagnon, was present at the meeting.

Operator wants to do water quality testing at a cost of \$400 - \$650 for all tests.

Ron S. motioned to request a full panel of tests to assess water quality. Dave seconded the motion.

Ron went over refinancing state loans at the lower rates being offered. Bob Murdo will need to rewrite new bond. In the fall, close out existing loan and refinance. This action could save \$1 million.

Ron brought in a 4 inch sewer line check valve. He recommends installing these by the street of homes that may have potential flooding hazards. Then retrofit floor drains inside the home(s). The valve would be encased in concrete on the right-of-way.



REGULAR AGENDA:

Marty's project update -

He has received a recent schedule update from Williams Const. He still needs the 60-day extension, with the understanding that there will be no additional cost to the District. Change order #3 will be drawn up and signed at the next meeting.

Ron S. made a motion to authorize Change order #3 with Williams Bros. Construction to be signed at the next meeting. David seconded the motion. Motion passed 3 - 0.

If all goes well, the Substantial Completion Date will be NLT July 1, 2013. Because DEQ has set a deadline of Oct. 1, we need to bring that dept. into the conversation.

The plan is to have construction continue, Neely Electric coordinate with NorthWestern Energy to electrify, after completion, start running plant, Siemens will calibrate. Then, decommission lagoon around Sept. 1. Some very expensive equipment will be installed and there will be substantial draws ( \$1.7 million of the \$3.2 million).

Marty will contact Eric regarding chlorination levels. And make it a priority! The chlorine goes into the ground through irrigation. At least, ask for a summer reprieve.

There will be a litigation meeting April 24.

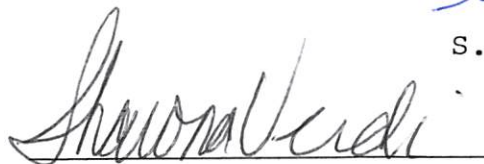
Ron asked that the meeting adjourn. All in favor.

Respectfully submitted,



S. R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, APRIL 18, 2013

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

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle, David  
Keeney, Jared Kamp.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon, Rosie  
Barndt, Vickie Tischendorf, Cliff Wrobetz.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron made a motion to pay claims presented and accept the  
March 21, 2013 minutes. Dave seconded. Motion carried.

REPORTS:

2012 Financial Audit - Rosie Barndt presented the audit.  
All is well and the 120% of loan value is covered. She  
asked, "Is the old plant still intact plus the new plant?"  
The answer was "yes". Therefore, the value of the District's  
outlay increases. Rosie introduced Vickie Tischendorf, with  
Holmes & Turner, who will be doing the 2013 audit.

Revenue Summary - Christine Clarkson submitted a list of  
claims, adding \$812.50 for Ron Edwards. Billing increased  
slightly as residents are beginning to irrigate their lawns.

Financial - Shawna reported \$413,236.29 (includes draw)  
plus \$15,502 pending deposit  
\$375,084.54 MMI  
\$296,615.54 MMII

Transfer \$68,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie not available.



Operations - Ron Edwards submitted monthly report. Water

usage is increasing (seasonal).

Public Well #2 is working. Andy and Dean are coordinating getting the soft start operating properly.

NW Energy hit the communication cable while doing work.

Neeley Electric is repairing the line.

The District is refinancing its loans with SRF. Christine provided documents to Board for signature. The savings will be substantial.

Developers of a proposed trailer park across Amsterdam Rd. have asked to connect to the sewer system. Representative(s) did not show at the meeting.

Jared asked, "Do we fluoridate?" Ron replied, "no".

Ron brought in a different style check valve to show to the board. Dave said it was a better style and has a rubber flapper. This would be for homes with a sewer backup potential. Jared asked about the cost. Ron will find out.

#### REGULAR AGENDA:

Marty presented to the board his monthly project update.

Monday - the transformer will be shut down and back-up power must be provided.

The contractor asked for \$29,016 additional funds in a change order and wants the District to pay half.

Ron E. asked, "Where are they in contingency? Within limits.

The contractor wants to make the building 'explosion proof' if gases build up (and door is opened). NEMA-4 vs NEMA-7

There will be other change orders. Marty felt that this was a justifiable oversight. The door can be opened manually with a chain. When the door is opened, the gas will not explode.

Dave asked, "Does he have backup?"

Of the \$551,064 draw, \$527,385 will go to Williams Const. and \$18,352 to Morrison-Maierle, and \$5,227 for the Mt Gross Receipts Tax.

To test the system, they will run clean water through it.

Ron E. asked about the turnaround on refinancing.

Marty asked the board, "How do you feel about change orders 3, 4, & 5"?

The board will take a tour of the facility at the next meeting May 16, followed by the monthly business meeting.

On bond resolution - E-mail Bob Murdo with two loans being refinanced.

Redistribute CDs.

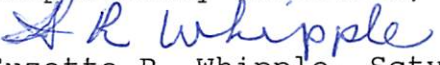
Pay down loan(s) with excess reserves.

Go to the bank, pay any fees, and wire to loan's bank May 1.

Ron made a motion to pass Resolution 2013-01 for water loan and 2013-02 for wastewater loan refinancing. Dave seconded the motion. Motion passed 5 - 0.

The May 16 meeting will be held at the new building following a tour. The tour begins at 7:00 P.M. followed by the business meeting.

Ron Squyres asked that the remainder of the meeting be closed to the public for litigation update and discussion. The Board, having found that an open meeting may have a detrimental effect on the litigation position of RRCW&SD, when discussing claims, strategies, and possible settlement of issues in Morrison/Atkinson closed the meeting pursuant to Section 2-3-203(4) MCA. Dave seconded the motion. 5 - 0, all in favor. Meeting adjourned at 8:10 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 – May 16, 2013

PRESENT: Shawna Verdi, Dave Keeney, Ron Squyres, Jared Kamp, Sharold Buerkle  
GUESTS: Eric Blanksma, Ron Edwards, Christine Clarkson,

The meeting was called for order at 7:08 P.M. by Shawna Verdi.

CITIZENS COMMENTS / REQUESTS:

None

CONSENT AGENDA: Ron Squyres made a motion to accept the April minutes and pay the claims presented. Jared seconded the motion. Motion passed 4-0.

REPORTS:

Revenue Summary – Christine Clarkson presented the monthly revenue summary. Also, during a conversation with Marty regarding the paperwork for closing the final loan, Marty pointed out that the 4 Plex's with one large meter only pay sewer based on one connection, not four. The Board discussed how the District Rules and Regulations are written and found this to be correct. After discussion, it was decided to check with Susan Swimley about changing the regulations so that billing for 4 Plex's could be per unit instead of per lot.

Financial – Shawna Verdi

Checking	\$607,672.58
MMI	\$484,788.30
MMII	\$308,654.60
Transfer	\$60,000.00 to MMI and \$12,000.00 to MMII

Shawna explained that when the CD for the refinance was cashed out, we had to get the paper copies which had been filed up at Big Sky Western Bank. Subsequently, she opened a safety deposit box for the District at the Belgrade branch and all paper copies of the CD's are now in this box. Big Sky Western Bank will redo all paperwork to make all current Board members as signers. When the minutes are approved, they'll need to be brought to the bank and new signature pages will be drawn up.

Maintenance –

Christine said that Eddie had met with contractors regarding getting the manholes that are above street level repaired. Dan Morgan will begin work in the next couple weeks. He also met with contractors to get bids for putting in the backflow preventers at the homes with basements by Lift Station 2. As the utility easement is in the back of the properties, we would need to use the street right of way to do the construction. A surveyor could mark this off so that we know where work can be performed. It was also discussed that doing the work in the street might be a better idea as then we would not be on the property.

Operations – Ron Edwards

Ron reported that usage jumped from 300K to nearly 1,000,000 gallons per day over a week's time. As the weather has been unseasonably warm, this is due to irrigation firing up for the season.

Dean from Dean's Electric has been working with Andy from IAC to get time delays in the SCADA for PW2 as it is still causing problems. He then went on to explain the outage from Tuesday. PW2 failed and with the high usage, PW1 was not able to keep up with demand. Unfortunately, no alarms went out from the SCADA for both the failure at PW2 and the low tank level and so we were unaware of the problem. Once we found out, we got the wells running manually, manipulated pumps and were able to get water back on. Ron has canned Dean and Andy about these problems and Andy is going to reinstall the phone dialer to call out (in addition to the SCADA) when we have a low pressure or low tank alarm.

#### REGULAR AGENDA:

##### Project Update – Reic Blanksma

Eric gave an update on the current progress at the new treatment plant. The switch over of the pumps at the main lift station will begin on Tuesday at 7:00 AM. Williams Brothers has 2 back up pumps to handle the flow and pump directly into the lagoon so doing the work during the day instead of the overnight will be fine. Still scheduled for substantial completion by June 30 and then will begin getting the plant set. He presented the paperwork for the next draw totaling \$276,044.00.

Ratify Motion for Back Flow Preventers – At a meeting to discuss the status of the lawsuit for the back up at Lift Station 2, the Board decided to go ahead with the work with the following motion:

Motion is made to install backflow preventers in the right of way to the homes with basements from Lift Station 2 to the first manhole to the west within the next 12 months. In addition, SCADA will also be installed on Lift Station 2 within the next 12 months.

Ron Squyres made a motion to ratify the motion presented in April. Jared Kamp seconded. Vote was unanimous. Motion passed

Eric then gave the Board a tour of the new plant explaining what everything was and the timeline for completion on some things in the building.

Ron Squyres moved for the meeting to adjourn. Dave Keeney seconded. All in favor. Time: 8:38 P.M.

Respectfully submitted,



Christine A. Clarkson, Office Mgr.



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, JUNE 20, 2013

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

PRESENT: Shawna Verdi, Sharold Buerkle, David Keeney, Jared Kamp.

ABSENT: Ron Squyres.

GUESTS: Larry Erb, Eddie Muniz, Marty Gagnon, Eric Blanksma,  
Cliff Wrobetz, Ron Edwards, Christine Clarkson.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

David made a motion to accept the June claims and the  
May 16 minutes as presented. Jared seconded. Motion carried 4-0.

REPORTS:

Revenue Summary - Christine Clarkson presented printout.

The District received \$93,000 from tax assessment collection.

Financial - Shawna Verdi reported \$332,173.81 in checking  
plus pend. deposit, \$544,881.45 in MMI and \$320,699.41  
in MMII. Loan payments will be transferred the end of  
this month. Add \$1,008.64 to claims for Ron Edwards.

Christine does not have all the paperwork for refinanced  
loans and new loans. (TCO - see 6/21/13 e-mail).

Transfer \$93,000 to MMI. Williams Bros. Construction  
will be drawing \$276,000.

Maintenance - Eddie Muniz talked about work done on Lift

Station at West Vela. One pump was cleaned last Thursday  
and will be cleaned again tomorrow, Friday, June 21.

Yesterday, another pump was pulled and can't be fixed.  
The refabricated one is running and will use in blower bldg.  
Operator, Ron Edwards, agrees.

Sharold made a motion for <sup>pump</sup> repairs on East Vela Lift Station,  
estimated at \$16,000. David 2nd. Motion carried 4-0.  
Eddie is checking on it everyday.

Operations - Ron Edwards noted that water usage reached 1 million gal/day twice.

- The 75 HP motor in Well #2 is making a difference.
- The Consumer Water Quality Report will go out with the July billing. David suggested that it be noted that the annual report is required and routine.
- Well #2 soft start was replaced by the installer. Franklin Motor software will automatically start after 15 min. Ron records the notices. Andy wired the old dialer to let him know when water is low.
- LS #1 has been refitted with 2 pumps.
- LS #2 1 pump was pulled. 1 pump is running. Need to replace both.
- Keeping an eye on blowers running hot. Need to last a few more months.
- DEQ wants to know status of water main extension. Approval will eventually expire. Ron E. said - let plans close itself.

#### REGULAR AGENDA:

Construction Update - Eric Blanksma talked about the change from a gravel driveway to paving approx. 4,500 sq. ft. High Country Paving will be doing the work. Dave made a motion to change over pavement and delete five feet of concrete. Sharold 2nd. Motion passed 4-0.

Marty would like for board member(s) and Christine to be at the plant when it starts up, hopefully the week of July 22nd.

Seimens will bill over \$1 million next month for equipment et al.

56 4-plexes are being billed per building, yet there are four tenants. <sup>QA</sup> Ron will look into correcting this oversight which could generate an extra \$18,000.

Election - Sharold and Shawna's board seats are up for election this fall. Therefore, Dave made a motion for Resolution 2013-04 calling for an election of two board members. Jared 2nd motion. Motion carried 4-0. The Resolution goes to the county elections office.



Installation of Backflow Preventers – Christine has an estimate from Dan Morgan to install backflow preventers , suggesting that it would be less costly to place them on curb stops in the street vs on property of homes (with low basements). Scenic City will do any clean-up .

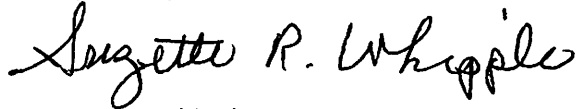
Dave would like to see a more detailed bid. Also, make sure company is bonded and insured.

Christine agreed because you don't know what you're going to run into.

There being no further business, David motioned that the meeting adjourn. All in favor.

Meeting ended at 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, JULY 18, 2013

With everyone ready the meeting was called to order at 7:00 PM by Board President Shawna Verdi.

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle,  
David Keeney, Jared Kamp.

GUESTS: Christine Clarkson, Marty Gagnon, Eric Blanksma,  
Ron Edwards, Cliff Wrobetz.

CITIZENS COMMENTS/REQUESTS: CopperBloom resident asked if there are any water or sewer lines along the easement on the northern property line? Suzette Whipple said that the homeowner's association wants to place a privacy fence along their property and need to locate utilities. Christine responded that all water and sewer lines are along the streets.

CONSENT AGENDA:

David made a motion to accept the June 20, 2013 meeting minutes and pay the July claims. Jared seconded the motion. Motion carried 5 - 0.

REPORTS:

Revenue Summary - Christine compared income from June 2012 to June 2013. There was a difference of \$33K - Are residents giving up on watering their lawns? It can be costly.

Financial - Shawna reported \$653,483.40 in checking plus \$33K pending \$381,568.46 in MMI and \$332,738.93 in MMII  
Transfer \$35K to MMI and \$12K to MMII.

Maintenance - N/A

Operations - Ron E. reported that the soft-start, which had a wiring problem, has been replaced under warranty. Water Report contains results of sample testing.

REGULAR AGENDA:

Construction update - Marty brought forth a request for a Change Order from Williams Bros. Construction delaying substantial completion set at August 1 to August 16.

Discussion: Is it time to consider enacting liquidating damages of \$500/day?

Marty - still working on building. As of July 1, not near completion. Seimens, owner selected, has had delays in delivering key components coming from Germany. Williams has already had 90 days extended.

Ron E. - effluent will take months to reach permit requirements.

Eric B. - as of today, except for sensors, all equipment is here.

Eric (cont.)

It will take 2 weeks to do functional test(s) and requires that the basin be flooded.

No overtime has been incurred by Williams.

There is a 7-day cure time on paint. The pipes that go to the pumps have been painted, but no plumbing.

Ron E. - The delay costs Morrison-Maierle for engineer's time, thus costs RRCW&SD.

David says don't give a Change Order, wait until LDs start. No one from Wms. Bros. Const. at meeting (Note: See meeting minutes of July 31.)

The original bidder on paving backed out and the \$6,750 bid has doubled.

Ron S. - We can't hold them to (July 1) deadline because of equipment delay(s).

There are 7 more working days.

Marty - It is critical to have the engineer on site now.

When are they going to be in violation of completion date?

Ron S. - suggests that LDs start after Aug. 2.

Sharold - they now have the District up against the wall.

Marty - the pump is on the way from Germany. Seimens may have dropped the ball.

David made a motion to issue a Change Order allowing an additional 31 days (July 1 to August 2).

Sharold seconded. Motion passed 5 - 0.

Marty needs to get paperwork from SRF, then will deliver to Shawna for signature by the middle of next week. (2013A)

Marty has a quote from Neeley Electric for telemetry on Lift Station #2 on E. Vela. This is outside of previous contract.

Ron S. made a motion to accept the bid from Neeley Electric for telemetry on LS#2. Sharold seconded. Motion passes 5 - 0.

David asked about paving in front of the plant.

High Country Paving wants to grade the driveway - just do up to 3 inches and pave (asphalt).

Resolution 2013-05, relating to issuance of \$1.1 million revenue bond to fund Wastewater Treatment Plant completion.

Ron moved to pass Resolution 2013-05, issuing \$1,100,000.00 revenue bond to fund the completion of the RRCW&SD

Wastewater Treatment Plant at the interest rate of 2.0% plus 0.75% plus 0.25% totalling 3.0% financing with SRF.

David seconded. Motion passed 5 - 0.

Election of Board Members - Sharold and Shawna's board seats are up for election/re-election. There is a 75-day window from date of advertisement to sign paperwork to be a candidate.

There being no further business, Ron motioned to adjourn meeting. David seconded. All in favor. Meeting closed at approx. 8:25 PM.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



## • July 31st Meeting Minutes

### Actions

Jared Kamp  
8/06/13

To: Ron Squyres, Shawna Verdi, Sharold Buerkle (sbuerkle@belgradeschools.com), Dave K (ddkeeney@gmail.com)  
Cc: Christine Clarkson, Suzette Whipple

Hello All,

Here is a copy of my notes from the emergency meeting with WBC. My note taking could use some work, and I missed who asked and who answered for some of the questions. Still, I feel that I captured the content of the discussion well.

In attendance were Shawna, Sharold, Dave, Marty, Eric, myself, Barry Curtis, & Clay Pipinich (both from WBC).

Meeting called to order at 7:04 PM. Ron Squyres was absent.

Substantial completion deadline is tomorrow. (August 1<sup>st</sup>, 2013) WBC had requested an extension for August 16<sup>th</sup>. The board had denied the request at our normal July meeting in order to ensure that the 60 day window to get the plant operating was not compromised.

Barry stated that WBC was legally entitled to an extension because of a piping problem where 6" pipe had to be sent back/replaced with 4" pipe. He said an extension of 20 days would be sufficient. He went on to explain that if RRW&SD were to liquidate damages, then WBC would settle the dispute in court. He mentioned they will have to file a change order for +/- \$5,000. WBC also stated that July 17<sup>th</sup> was when the Siemens equipment arrived from Germany. July 2<sup>nd</sup> was when they noticed the issue with the pipe diameter.

Clay said they began running water through the plant today, and seeding the plant was scheduled to begin on August 13<sup>th</sup>. Also on August 13<sup>th</sup>, RRW&SD takes ownership of the of the plant, and training will need to be nearing completion. Barry said that our operator needs to be available for training August 5<sup>th</sup>, and Marty told him that Ron Edwards would be there.

WBC also stated that we must know who is in position for operating manager of the plant within 60 days of taking ownership. The board discussed the possibilities of either Christine or Cliff as operating manager, and it was decided to continue this discussion at the August meeting.

Sharold told Barry and Clay that the board was only concerned about meeting compliance with the state effluent requirements. He explained that the district began working on the project 6 years ago. The board did not want to over extend the time frame for the project deadlines. The

costs of working an extra couple of weeks or a month were secondary to our concerns for meeting DEQ regulations and avoiding violations/fines.

Marty felt like August 13<sup>th</sup> was soon enough to avoid unreasonable costs and the need to liquidate damages. Marty stated that you can only liquidate damages for costs incurred, not as a punitive measure. He felt that the cost of pursuing WBC would outweigh the costs incurred from August 1<sup>st</sup> – 13<sup>th</sup>. Dave asked if WBC had begun working on punch list items yet, and Eric confirmed that they had. Marty mentioned that WBC gets a lot of their time projections from Russell @ Siemens. Russell is WBC's rep. at Siemens.

Jerry Paddock @ DEQ will be notified on August 13<sup>th</sup> if/when seeding has begun. The 60 day window will begin then.

Meeting adjourned @ 7:32 PM. (I failed to write down if Dave moved to adjourn and Sharold seconded, or if it were viscera versa.)

Thank you!

Sincerely,



Jared Kamp



**From:** Martin Gagnon [mailto:mgagnon@m-m.net]  
**Sent:** Thursday, August 01, 2013 4:08 PM  
**To:** Jared Kamp; Ron Squyres; Shawna Verdi; Sharold Buerkle (sbuerkle@belgradeschools.com); Dave Keeney; Dave K (ddkeeney@gmail.com)  
**Cc:** Christine Clarkson; Ron Edwards (redwards@montana.net); Eric Blanksma  
**Subject:** RE: River Rock Meeting tonight

I think Jared summed things up pretty well. WBC has committed to begin seeding the plant on August 13 which is about two weeks earlier than we were being told prior to the last Board meeting. WBC did make it clear that they would file a claim if liquidated damages were assessed against them for not meeting the substantial completion date. Although I believe River Rock would prevail if such a claim were filed, it is likely that the claims process would cost the District more to defend than the actual liquidated damages would be for the additional two weeks' time. Given the new schedule from WBC, we are committed to work with the Board to complete the project without having to assess liquidated damages.

Thank you to everyone who attended last night's meeting. It appears as though the Board was able to light a fire under WBC resulting in an accelerated schedule. It would be a shame if these administrative issues were to overshadow what has been a very successful construction project overall. WBC has done a very nice job on the construction end resulting in a well done facility that will serve the River Rock community for many years to come.

Marty



**Martin Gagnon, PE**

Direct: 406.922.6735

**From:** Jared Kamp [<mailto:jared@kampdata.com>]

**Sent:** Thursday, August 01, 2013 11:48 AM

**To:** Ron Squyres; Martin Gagnon; Shawna Verdi; Sharold Buerkle ([sbuerkle@belgradeschools.com](mailto:sbuerkle@belgradeschools.com)); Dave Keeney; Dave K ([ddkeeney@gmail.com](mailto:ddkeeney@gmail.com))

**Cc:** Christine Clarkson; Ron Edwards ([redwards@montana.net](mailto:redwards@montana.net)); Eric Blanksma

**Subject:** RE: River Rock Meeting tonight

Hi Ron,

The meeting went pretty well. I took notes, and would have emailed them this morning, but my lap top died. I am writing from my office, and I don't have the notes with me now.

Basically, the plant is now scheduled to begin seeding on Aug. 13<sup>th</sup>. Since the 13<sup>th</sup> is just two weeks past the contract deadline, we probably won't incur enough cost to justify liquidating dama

Or at least that's my take. If anyone has something to add/correct, then please do.

Sincerely,

Jared Kamp

**From:** Ron Squyres [<mailto:Ron@litesys.com>]

**Sent:** Thursday, August 01, 2013 8:05 AM

**To:** Martin Gagnon; Shawna Verdi; Sharold Buerkle ([sbuerkle@belgradeschools.com](mailto:sbuerkle@belgradeschools.com)); Jared Kamp; Dave Keeney; Dave K ([ddkeeney@gmail.com](mailto:ddkeeney@gmail.com))

**Cc:** Christine Clarkson; Ron Edwards ([redwards@montana.net](mailto:redwards@montana.net)); Eric Blanksma

**Subject:** RE: River Rock Meeting tonight

How did the meeting go last night?

Ron S

---

**From:** Martin Gagnon [<mailto:mgagnon@m-m.net>]

**Sent:** Wednesday, July 31, 2013 4:08 PM

**To:** Shawna Verdi; Sharold Buerkle ([sbuerkle@belgradeschools.com](mailto:sbuerkle@belgradeschools.com)); Jared ([Jared@kampdata.com](mailto:Jared@kampdata.com)); Ron Squyres; Dave Keeney; Dave K ([ddkeeney@gmail.com](mailto:ddkeeney@gmail.com))

**cc** Christine Clarkson; Ron Edwards ([redwards@montana.net](mailto:redwards@montana.net)); Eric Blanksma

**Subject:** River Rock Meeting tonight

All,

I have prepared a project timeline to assist everyone at tonight's meeting. The timeline includes the major benchmark dates that I think may be at issue tonight. Attached to the timeline are two project schedules prepared by the contractor. The first schedule is the original project schedule provided through the shop submittal process and was submitted to us on August 7, 2012. The second schedule was provided to us in conjunction with Change Order #3 on March 21, 2013. You will see that the sludge seeding/substantial completion dates are highlighted on both schedules. I will bring copies with me tonight but I wanted everyone to have this ahead of time in case you had a chance to look it over in advance. Thank you.

Marty

**Martin Gagnon, PE**  
Supervising Engineer

2880 Technology Blvd W (59718)  
P.O. Box 1113  
Bozeman, MT 59771  
Main: 406.587.0721  
Direct: 406.922.6735  
Cell: 406.581.5078

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RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
THURSDAY, AUGUST 15, 2013

The meeting held at the River Rock Community Center was called to order at 7:05 P.M. by Shawna Verdi.

PRESENT: Shawna Verdi, Sharold Buerkle, Ron Squyres, Jared Kamp.

ABSENT: David Keeney.

GUESTS: Verl Clark, Marty Gagnon, Christine Clarkson, Eddie Muniz, Eric Blanksma, Cliff Wrobetz.

CITIZENS COMMENTS/REQUESTS:

Verl Clark, representing Joe Seaman, needs the minutes to reflect abandonment of easement, to be taken to the county. This is in reference to Mr. Seaman's request to relocate an existing fire hydrant fifty feet so he can build a business on this commercial property.

Ron made a motion to allow abandonment of utility easement along existing fire hydrant, conditional upon fire department. Jared seconded the motion. Vote was 4 - 0, motion carried.

CONSENT AGENDA:

Ron made a motion to pay claims presented for August and accept the minutes of July 18, 2013 regular monthly meeting and the emergency meeting on July 31, 2013 taken by Jared Kamp. Jared seconded the motion. Motion carried 4 - 0.

REPORTS:

Revenue Summary - Christine presented the July receipts.

She billed \$90K this month.

Financial - Shawna read the balances for the checking

account: \$62,991.63 and a pending \$12,038.61 deposit and expecting more collections this week as bills become due.

The Money Market accounts are healthy and will be able to cover the next bond payments.

MMI \$416,636.18 and MMII \$344,784.20.  
Transfer \$35,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie asked Marty about an irrigation canal in front of the new treatment plant and talked about putting a marker at the end.  
Ron E., Marty, and Eddie will meet Monday to look over the ditch, trees, etc.

Operations - Ron Edwards, Operator, presented his monthly water usage report to the board. He feels that usage has peaked, afternoon showers taking care of lawns.

- . Pump #2 went down this week. Will contact mechanic from Three Forks. Pump #1 was replaced several years ago.
- . DMR for July will be in the Sept. Report.
- . Treatment plant is being tested. Guys doing the testing are great and conducting training.
- . Seeding - starting effluent out the back, adding more and more water. Supt. Clay, with Williams Bros. Const., is very helpful.
- . Down to one blower to the lagoon. No air going to North cell. Clay will rough up IP cell for better drainage.
- . Supplies on hand - the plant will need ladders, tools, and sampling equipment, etc. There is money available.

Certified Value Property Certificate needed from Gallatin/Montana State Dept. of Revenue. Contact Mark Olsen within a month (put on agenda next month).

Original Water & Sewer loans were closed out by refinancing.

Ron proposed having two operators of record. Cliff Wrobetz is a Class C operator. Christine and Eddie will also be available. Part of the O & M fee is designated for part-time operator(s). Ron is very pleased with the new facility. So is Marty. Ron says that we have a great plant.

REGULAR AGENDA:

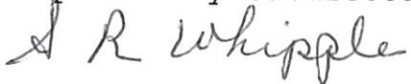
Construction update - paving will happen within three weeks. Revenue Bond will close next month. Eric did notify DEQ. They will need a written notification of upgrade. Marty - it usually takes two years to get a permit.

Shawna - We need to ask POA to water at night.

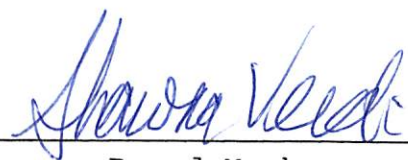
Sharold - repair the wooden fence then stain with two coats of Messmer's.

Election for two board seats - signatures must be filed by October 22, 2013. The election will be in November.

Sharold made a motion to adjourn the meeting. All in favor. Meeting closed at 7:40 P.M.

Respectfully submitted,  
  
Suzette R. Whipple, Scty.

ATTESTED BY: \_\_\_\_\_

  
Board Member

WITNESS: \_\_\_\_\_

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
SEPTEMBER 19, 2013

The meeting was called to order at 7:07 P.M.

PRESENT: Dave Keeney, Sharold Buerkle, Shawna Verdi.

ABSENT: Ron Squyres, Jared Kamp.

GUESTS: Marty Gagnon, Christine Clarkson, Eric Blanksma, Cliff Wrobetz,  
Eddie Muniz, Ron Edwards.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Sharold made a motion to pay claims and to accept the August 15, 2013 minutes as presented. Dave seconded the motion; motion carried 3-0.

REPORTS:

Revenue - Christine Clarkson presented the revenue summary. Income is strong, \$110,000. Landmark bills were very high. River Rock's highest was \$489!

Next week - Copper and Lead testing - Christine will deliver testing equipment to extra addresses.

Todd (AWWS) - Lift Station #2 - debating use of Franklin vs Barnes pumps. Dean (Electric) - need new hydromatic panel - approx. \$7,600.

Financial - Shawna Verdi reported \$68,416.83 in checking plus a \$33,301.21 pending deposit,

\$451,716.29 in MM I, and \$356,834.33 in MM II. Transfer \$60K to MMI and \$12 k to MMII.

Maintenance - Eddie Muniz worried about Lift Station #2. There was a fire in the panel. The pump is not running. Marty suggested doing the same configuration running vs off/on. Changing the pump would not be 3 - phased. Cost would be approx. \$60K. Marty will contact Jerry Paddock (DEQ) and ask to use contingency money. Decision pending answer from DEQ. There is about \$100K in contingency money left. Looking for ideas to control/prevent backflow; Eddie found shirts, rags, a pr. of pants, etc. in the lift station.

Ideas

- . letter to residents
- . screen bar
- . trailer with pump (would need storage or a cover)



- . maybe it's worn out
  - . shop for bypass pump, could use capital improvements fund
  - . use Neely bid to add and install pumps (\$5K each)
- Board gives authorization and expense can go on Consent Agenda next month.

New telemetry should let you know about flow problem or reverse flow. Ron can set SCADA to do that. Invite bids from usual contractors. For work done by Neely, need commitment from Mike to have time to do backflow installs ASAP (October); two residences at a minimum.

Operations - Ron Edwards

See Water Report for usage.

POA is flushing sprinkler system for the winter. Wants to use reclaimed water to irrigate by park and around lake.

Cliff Wrobotz is an operator (independent contractor) now "on call" as needed. He will submit invoices to the board for work done. Welcome Aboard Cliff!

REGULAR AGENDA:

Bond - Certificate of Value signed by Shawna Verdi, Board President.

There being no further District business, Dave made a motion to adjourn. All in favor.

Meeting ended at 8:00 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY: \_\_\_\_\_



WITNESS: \_\_\_\_\_



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
OCTOBER 17, 2013

The meeting was called to order at 7:05 P.M.

PRESENT: Dave Keeney, Shawna Verdi., Ron Squyres, Jared Kamp.  
ABSENT: Sharold Buerkle  
GUESTS: Ron Edwards, Christine Clarkson, Marty Gagnon, Eric Blanksma,  
Cliff Wrobetz,

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron S. made a motion to pay claims and to accept the September 2013 minutes as presented. Dave seconded the motion; motion carried 4-0.

REPORTS:

Revenue - Christine Clarkson presented the revenue summary. Income is still strong. Christine mentioned that the Debt Service money from each draw from Loan D is to be set aside and asked if the Board wanted to open a money market, wait until one of the current CD's rolls or wait until all draws are finished and open a new CD. The Board decided to write the Debt Service check each month and hold them until all draws are complete then open a separate CD.

Financial - Shawna Verdi reported \$584,168.35 in checking plus a \$78,715.82 pending deposit, \$511,786.91 in MM I, and \$368,878.34 in MM II. Transfer \$100K to MMI and \$12 k to MMII.

Maintenance – No Report

Operations - Ron Edwards. See Water Report for details. Usage is down to 207K per day. The peak usage from 7/22/13 – 7/31/13 was 1.8 million per day. Pump run times have dropped to less than 4 hours per day on both pumps. The impeller on Booster Pump 2 cannot be fixed however the motor has been rebuilt. Dave Potts is getting prices for new impellers but what he's gotten so far is nearly \$10K just for the impeller. If the cost gets too high, we can ask Morrison & Maierle for input. Pump 2 was the most used pump over the past 13 years. We might want to purchase a new pump or look into locating a used one. Lead and Copper testing was done at the end of September. The results were very good with the overall results below target values. Letters will go out to those that provided samples with the certification letter going to DEQ. The DMR reports are included in Ron's report. The August report is for the old plant, September is for the new plant. Water was being moved from the North lagoon and WBC completed the work on the decant line on 10/16/13. Now moving water from the South lagoon to the North lagoon to pump it down to WBC can clean the liner. Ron received a sewer connection request for a 51 space mobile home park south of River Rock. The plant is currently at 85% capacity of BOD loading leaving us with 25k – 30k available. Further, with the plant not yet operating at 100% as designed, some of the numbers as far as capacity, etc could change once the plant is up and running fully as designed. If we chose to pursue this and they wanted water as well as sewer we'd have to file a change in place of use with DEQ.

The Board could, if they choose to move add this park on, required that they pay for the permit, putting in an additional well and other things that might come up with adding on to the existing water and sewer systems. Ron said if the Board would like to discuss this further, they should ask that Chris Budeski, the engineer in charge of the project, come in and talk with the. Ron S asked if we run a risk of getting part of our water right changed because we aren't using the full amount of our current right. There was then another short discussion of using the effluent on POA park space irrigation as the usage, chlorine and pump costs for park space is significant. He then stated that we did get a bypass pump that we're currently using to move water from lagoon to lagoon so if there is any sort of pump failure at the lift stations, we now have the ability to pump them out but that we do need 315' of discharge hose to reach the manhole in the event there is a problem. He'll contact the pump company to get the discharge hose.

REGULAR AGENDA:

Marty brought up the changes that have been previously discussed to Lift Station 2. After speaking with Jerry Paddock, he was told that to use funds from the WWTP improvement for the lift station project, we would need to update the PER, update the agreement with Morrison & Maierle and send in design plans and specs for approval. Marty wasn't sure how much work the PER would entail. Mike Neeley's original bid was \$40K for just the electrical plus the cost to change out the pumps to a design similar to the new plant. The plan for upgrading Lift Station 2 includes replacing the panel, adding SCADA, upgrading the pumps to 3 phase VFD. We could start the design now as this project needs to be completed regardless of where the funding comes from. Dave K mad a motion to authorized Morrison & Maierle to begin the design to redo Lift Station 2. Ron S seconded the motion, motion carried 4 – 0. Dave K asked if we could order the pumps once they're sized as they have a significant delivery time so that they're here when we're ready to begin construction. Eric said as soon as he had the size he'd let Ron E know. Dave K made a motion to authorize Ron Edwards to purchase the new pumps for the redesign on Lift Station 2. Jared seconded the motion, motion carried 4 – 0.

There being no further District business, Dave made a motion to adjourn. All in favor.  
Meeting ended at 8:18 P.M.

Respectfully submitted,

*Christine Clarkson*

Christine Clarkson, Acting Scty.

ATTESTED BY:

*Ashona Vadi*

WITNESS:

*Angette R. Whipple*

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From: suzettewhipple@hotmail.com  
To: riverrockwsd@gmail.com; suzettewhipple@hotmail.com  
Subject: Nov. 21 Minutes  
Date: Mon, 16 Dec 2013 19:44:40 -0700

RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD of DIRECTORS MEETING MINUTES  
THURSDAY, NOVEMBER 21, 2013

The meeting was opened by board president, Shawna Verdi, at 7:00 P.M.

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle, Dave Keeney, Jared Kamp.  
GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon, G Avaro, Cliff Wrobetz,  
Chris Budeski.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA;

Ron Squyres made a motion to approve the claims, with an addition of \$3,000 for a total of \$45,651.05, and accept the October 17, 2013 meeting minutes presented by Actg. Secty. Christine Clarkson. Dave Keeney seconded the motion. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson, Office Manager, submitted October billing and monies received. There were 3 draws in June. A small payment is due to Loan 11-1 even though it still has money in the amount of \$99,325.53.

Financial - Shawna Verdi reported \$57,831.53 in checking, plus \$25K deposit pending, and \$22 additional checks received.

MMI \$611,878.51    MMII \$380,928.52  
Transfer \$45K to MMI and \$12K to MMII.

Maintenance - Not avail.

Operations - Ron Edwards See November Water & WW Report containing readings and results of testing.

. Spray 1P cell in the spring and break up the bottom.

Conversation turned to the request by Belgrade Manuf. Homes' request for access to water. Marty - redundant well may be solution. He thinks DNRC may approve and DEQ would okay. Maybe, we could ask and get their take on this idea. Chris Budeski, representing the 11 acre proposed mobile home park with 51 units - feels that DNRC is encouraging hookups to existing municipalities. The board wants to see this through and will continue discussion. The park would need 13-15,000 gals/day.

Step A: Contact Carrie at the local office.

Discussion: Where to put Well #3? If Well #3 goes to the tank, then water pressure for the park would be maintained. Note: School well is shallow. Put Well #3 in green space. - Ron E. will talk to Carrie about this also. Have hydrologist, Pat at M-M, look at previous pump tests.

Ron S. made a motion to pursue Well #3 as redundancy, a point of diversion and continue looking into the

possibility of providing water to the proposed Belgrade mobile home park. Dave K. seconded the motion. Motion passed 5 to 0.

REGULAR AGENDA:

First of eight basement check valves has been completed.

Regarding LS#2 - Ricky and Ron E. had a conference call with Neeley. It will be 6 - 8 weeks out for panel. Ricky's quote for both is \$16,280. We need an installer for the pump, such as Seimens, Walker,... The panel will be free-standing. The mixing pump is burned up and past its warranty. Christine will check on the warranty. (Aug - Dec 2012 - look for conversation about grinder pump.) Ron - call or e-mail AWWWS. Dave - invoke warranty.

Last business for the evening is election of office-holders on the board. Ron nominated Shawna Verdi to continue as President. Any other nominations - second call - third call. There being no further nominations

Shawna remains as President. Thank you for serving on the board and in this capacity.

Nominations for Vice President was opened. Sharold Buerkle nominated Ron Squyres to continue serving as Vice President. Second call for nominations, third call. Ron S. will continue to serve on the board in this capacity. Thank you Ron.

There being no further business, Dave called to adjourn. All in favor. Meeting ended approx. 8:30 P.M.

Respectfully submitted,

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

ATTESTED BY: \_\_\_\_\_

*[Signature]*  
Board Member

WITNESS: \_\_\_\_\_



RIVER ROCK COUNTY WATER & SEWER DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
DECEMBER 19, 2013

The meeting was called to order at 7:05 P.M.

PRESENT: Dave Keeney, Shawna Verdi., Ron Squyres, Jared Kamp, Sharold Buerkle  
GUESTS: Ron Edwards, Christine Clarkson, Marty Gagnon, Eric Blanksma,  
Cliff Wrobetz, Guy Avaro

CITIZENS COMMENTS/REQUESTS: G. Avaro was in attendance to discuss the Belgrade Mobile Home park. Ron had spoken to their Engineer regarding the project. Ron's report gave an update on the third well and selling water to an outside source. A change of use permit will be necessary to sell water to this potential source. The developers were under the impression that they could still buy water from us regardless of having a change of use in place. Ron S explained about the risks to the District if we were to apply for a change of use permit.

CONSENT AGENDA:

5 -0 Ron S. made a motion to pay claims ~~and~~ as presented. Dave seconded the motion; motion carried 4-0. The minutes will not be approved at this meeting as there are changes Suzette had indicated but have not yet been made to the minutes.

REPORTS:

Revenue - Christine Clarkson presented the revenue summary. Income is still strong.

Financial - Shawna Verdi reported \$50,893.01 in checking plus a \$50,993.64 pending deposit, \$656,992.93 in MM I, and \$392,971.93 in MM II. Transfer \$12 k to MMII. There is a total of \$336,379.10 due for all 5 of the bond payments. Jared and Shawna will go to Big Sky Western on 12/23/13 to make the bond payments.

Maintenance - Christine gave a quick update on a vacant house that had a broken water line. She and Eddie were able to get it shut off for now.

Operations - Ron was not at the meeting but sent his Operator's Report for the Board to review.

REGULAR AGENDA:

Marty first discussed the third well option. He spoke with DNRC and a new well for redundancy is fine. We'll need to check on the well test data from back when the original wells were put in to see about the best possible location.

He then spoke about the potential for selling water to the Belgrade Mobile Home park. Selling it outside of the District boundaries won't work without changing the place of use but there is a possibility of buying bulk water as a "water depot". Typically, if there is excess water at the end of the year in your right and you want to change your place of use you have to go through a historical use calculator. If you have more they won't let you use it. DNRC has been inundated with these types of requests. There was a 2005 ruling on Smith River in a closed basin that led to DNRC



requiring the historical review however if the right was prior to 2005 then they are not requiring the mitigation on consumption. The short version of this is that we can add to the place of use provided the water right has not been perfected. As Ron put in last year for a 10 year extension on perfecting the District's right, this would not be an issue. We would need to submit an application to change the place of use but there would be no historical use calculation. Marty believe it would not be a problem to get the change due to their new stand on this issue. Ron Squyres said that he would like something in writing prior to entertaining taking the change of use any further. In order to proceed with a third well, we would need to complete an application with DNRC for the redundant well then get the specs and plans to DEQ before getting the okay. If we got started now, we could potentially have the third well in by June.

Marty then gave an update on the upgrades to Lift Station 2. The shop drawings have been sent to Mike Neely for him to double check. The pump specs are being checked by the supplier. The design will be similar to the main lift station in set up and design.

Ron Squyres asked Mr. Avaro about a time line for their project. They said they are waiting for a decision from us before proceeding any further. Their engineer is working on numbers for connections. They want water and sewer from the District. What would hook up fees be? What would we charge for each service? Marty thought maybe we'd annex them into the District but the Board was not interested in that at this point. With annexing, we could maintain control on what comes into our system and they also become part of the tax base.

Ron Squyres said he would like to et something in writing from DNRC before we proceed at all. Dave Keeney asked about the plant's capacity and Marty said that they can calculate that to see what it would do to the plant as far as capacity. This subdivision would add approximately 14K gallons per day to the plant load. We could charge a connection fee for each hook up to the system similar to what the Four Corners Water & Sewer District is doing. Dave Keeney asked if we need to do a public hearing for this. If it's an annexation for non-contiguous property it needs to be put out to a vote to all the residents of the District. If we were to pursue this, we'd need to do some public education on the pros and cons of the annexation. IN order for the Belgrade Mobile Home park to move forward, it's going to be a long process of number crunching and analyzing before any final decisions can be made.

Christine asked about pump capacity adding 52 more connections with irrigation usage in the summer. Would that push us into BP5 for irrigation only? The Board then asked that Ron E develop a project list for things we should upgrade or add to increase the smooth operation of the system.

There being no further District business, Dave made a motion to adjourn. All in favor.  
Meeting ended at 8:03 P.M.

Respectfully submitted,



Christine Clarkson, Acting Scty.

ATTESTED BY: Shamir Uddin

WITNESS: [Signature]