

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, DECEMBER 15, 2011

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

PRESENT: Shawna Verdi, Ron Squyres, Josh McKenzie, David Keeney, Sharold Buerkle.

GUESTS: Marty Gagnon

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Josh made a motion to accept the November 17, 2011 meeting minutes prepared by Suzette, and pay the claims listed by Christine in the amount of \$15,182.40. Ron seconded the motion. All in favor. Motion carried.

REPORTS:

Revenue Summary - See Nov 2011 spreadsheet

Financial - Shawna reported that there is

\$52,648.57 in checking

421,874.81 in Money Market I, and

116,119.93 in Money Market II

There is an additional pending deposit of approx. \$6,900.

Transfer \$40,000 - \$28,000 to MMAI and \$12,000 to MMAII.

Maintenance - N/A

Operations - N/A

REGULAR AGENDA:

1. Discussion of Bond Election scheduled for February 17, 2012 - a mailout will be sent to all registered voters mid-January, before the Jan. 19th meeting.

Feb. 2nd, hold an informative meeting, possibly at the

elementary school. Residents should have their ballots at that time. The regular meeting will be held Feb. 16th and voters can drop off their ballots to be hand-carried to the elections office NLT the next day.

Christine will place an ad in the newspaper.

David asked to update the WebSite with as much info as available, especially what a Yes vote will cost and what a No vote will cost. Have as much of this info available on the first screen. The plan is to also call residents. Josh stated that the WebSite address is on the billing card.

2. Semi-annual bond payments due end of December.

Two board members, Sharold and Shawna, will go to the bank after Christmas to transfer payments from MMAI.

Note: The District wants to repair manhole covers that are in the state of being above the street level. This resulted from repairs done on and around several homes. The POA is holding back finishing the repair because the street maintenance is their responsibility. The District is willing to do the repair and pay for it but wants it done ASAP before a snow plow hits a manhole cover, causing more damage. Marty advised that the Dist. has right to repair its facilities. There are 3 covers at severe risk and 20 others at risk. Collars and covers would cost approx. \$5,600 and Jason Burke was ready to do the repair work. The Board wants 3 fixed ASAP with cold mix.

Another pending repair is for the Lift Station #2. The board received a bid from AWWS for \$7,620. Marty and the Board want to take a closer look to see if there is a plumbing problem with the T-joint. The Board will have Marty, Ron Edwards, and Eddie further evaluate. The District is willing to spend more to solve the problem, if needed.

The meeting ended on the note to fix the collars around the manhole covers to prevent cars and snowremovers from hitting them. Sharold then asked that the meeting be adjourned. All in favor. Meeting ended at 7:55 P.M. Have a safe holiday.

Respectfully submitted,

S R Whipple

Suzette R. Whipple, Scty.

ATTESTED BY:

Sharon Veseli
Board Member

WITNESS:

[Signature]

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, NOVEMBER 17, 2011

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

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle, David Keeney, and Josh McKenzie.

GUESTS: Christine Clarkson, Marty Gagnon, and Eddie Muniz.

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Ron made a motion to pay claims for November with an addition of \$725.00 to Ron Edwards; and accept the October 5, 2011 special meeting discussing Plant Upgrade and the October 20 minutes of the regular Board Meeting. Josh seconded the motion. Motion carried 5-0.

REPORTS:

Revenue Summary - Christine Clarkson prepared a printout of October's income.

.Christine asked for a remote communications system to control the blower bldg. and pumphouse. Ron E. can do the installation. The board consented.

.The Operator, Ron Edwards, attorney, J. Kauffman, and AWWIS (T. King), and a Board Member need to meet to discuss failure of LS#2. Christine will try to get all parties scheduled Nov. 28 or Dec. 5 (after 3:30).

.Is there a resident stealing water?

.Bond Election: The election is scheduled for February 17, 2012. Christine has forms (letter) for Marty. Materials will be mailed to all registered voters in River Rock and to non-resident owners. Once again, the election will be held by mail ballots.

Financial - Shawna Verdi reported balances for the RRCW&SD accounts. Checking - \$132,475.76 plus a \$4,457 deposit prepared, and a projected \$8-12K payments by the end of the month.

Money Market I - \$331,803.26 and
Money Market II - \$104,102.75

With 17⁺K in claims, transfer \$102,000:

\$90,000 to MMI and

\$12,000 to MMII

Maintenance - Eddie Muniz observed Todd King (AWWS) cleaning and pumping a lift station at another site. Eddie was impressed how efficiently the grinder pump broke up the grease and sludge. He recommended adding a grinder pump to No. River Rock Lift Station.

Operations - Ron Edwards provided the Water Report printout. He recommended included check valves in next summer's work.

LS#3 is running good.

LS#2 - need to bid for 1 circulating pump and labor.

It will be about \$5,500.

Grinder Pump(s) - need new bid(s) to include labor.

There are better applications than what we have. Grinders are a good way to go forward.

The system needs multiple check valves to prevent back-flows in homes.

Sharold agreed... Shawna agreed. Both want to do something now!

Sharold - move that based on Ron & Marty's recommendation, 2 grinder pumps and check valves be installed on LS#2

(Vela) and on nearby resident's sewer lines ASAP!

Ron seconded the motion. Motion carried 5-0.

Operations (cont.)

Pumps -

Pump#1 is running 14 hrs./day.

Pumps#4 and #5 have not run in months (less demand in Fall and Winter).

Wells -

Well#1 went down last week. Pump#1 didn't fail but product was lower. The motor was bad, Dave Potts pulled the motor. NW Pipe had a new motor on hand. But pump won't shut off. Scott M. found a soft-start problem. Scott looked for a replacement. What caused the failure? Ron E. and Ron S. deduced that a power draw could have melted the soft-start.

On Nov. 13, Christine received 3 calls from the dialer. She checked, there was no sound or vibrations. The tank alarm went off. Well#2 faulted out, probably affected by cold (20 below). (3rd call this week).

FYI: The subdivision across Amsterdam Rd. will have septic tanks and a holding tank for solids.

Plant Upgrade - (See Water Report for 2-page summary).

Ron will relay letter regarding the election as to how/what to all interested parties, Anna Miller, Bob Murdo, etc.

REGULAR AGENDA:

Resolution calling for a Second Election

Marty has the copy of Resolution 2011-04.

The motion was made by Ron - Resolve to have a second election. Sharold seconded the motion. Motion carried 5-0. The election is scheduled for Feb. 17, 2012.

Election of Officers

A motion was made by Sharold to appoint Josh McKenzie to fill vacancy on Board. Ron seconded the motion. Motion carried 5-0. Christine will notify Elections Office.

Current President is Shawna Verdi.

Ron nominated Shawna. Other nominations were called for 3x. Unanimous ballot for Shawna to remain as President.

Current Vice President is Ron Squyres.

Sharold nominated Ron. Other nominations were called for 3x. Unanimous ballot for Ron to remain as Vice Pres.

Current Sergeant-at-Arms is Sharold Buerkle.

Sharold made a motion to eliminate the office of SSA by altering the by-laws. Ron seconded the motion. Motion carried 5-0.

The President also serves as the Treasurer.

There being no further business, meeting adjourned at 8:02 P.M.

Respectfully submitted,


Suzette R. Whipple, Scty.

ATTESTED BY:


Board Member

WITNESS:



River Rock County Water & Sewer District
Board of Directors Meeting
Thursday – October 20, 2011

Present: Shawna Verdi, David Keeney, Josh McKenzie, Sharold Buerkle, Ron Squyres

Guests: Brad Holliday, Christine Clarkson, Ron Edwards, Marty Gagnon

The meeting was called to order at 7:05 p.m. by Shawn Verdi.

Brad Holliday, a member of the Neighborhood Watch, attended the meeting to let the Board know that some residents were led to believe that the improvements to the treatment plant were part of the River Rock POA rate increase. He thought we should do more to let the public know that the treatment plant upgrade and the Water & Sewer District are not connected in any way to the POA.

Shawna thought maybe putting a notice in the paper for the November and December Board meetings where it mentioned the plant upgrade that the individuals would be available at the meeting to answer any questions might be helpful.

Shawna mentioned that the non resident owners will not receive a ballot regardless of whether they live in Gallatin County or out of state so they will all need to contact Gallatin County Board of Elections office for the form in order to get their ballot sent to them.

The Board then went over the consent agenda. Josh made a motion to approve the minutes and claims as presented. Ron seconded. All aye. Motion passed.

Revenue - Christine reported on the revenue report that September was a relatively warm month and therefore the billed amounts for the August to September and September to October billing cycles were higher than usual. See printout for additional revenue information.

Financial – Shawna reported the following for the bank accounts:

Checking	\$136,868.68
Money Market I	\$281,746.96
Money Market II	\$92,090.88

Transfer	\$50,000.00 to MMI
	\$12,000.00 to MMII

Maintenance – Eddie was not present at the meeting.

Operations – See Operator's Report. Ron reported that the daily water usage dropped over the past week from 412K to 228K so it appears that irrigation is over and our system is tight. He also noted that with the pump run times, the large pumps have dropped off significantly and pump 1 is running around 11 hours a day. A small fitting on the chlorine pump is broken and new parts have been ordered. Sampling has been taken for the 4th quarter – numbers will be presented at the next meeting.

Ron updated the hand out with the voter information for non-resident owners. Shawna said it's a Land Owner form. Ron will get that form from Charlotte Mills to put on the web site. Shawna also recommended putting a line in the FAQ's about the POA special assessment versus the WWTP project.

The Board discussed the meeting with John Kauffman regarding the back up at the East Vela lift station. October 25 will not work but the group seemed to be able to agree on November 2 around 3:00. They also thought that it would be helpful to have Todd King from Advanced WasteWater present as he is the expert on this lift station. Christine will send an e-mail to John with the alternate meeting date and time and the recommendation for Todd.

Dave asked about doing more informational meetings on the WWTP upgrade. The Board thought holding their regular meetings in November and December and then have 2 meeting in January and sending out a mailing in January. Ron E suggested changing the location to the school for the January special meeting and running a larger ad with the date of the election , etc on the mailer.

Marty asked about setting a date for the election. The Board said that February 15, 17 or 20 would all work depending on Charlotte's availability.

There being no further business to discuss, Ron made a motion to adjourn the meeting at 8:07 pm. All in favor. Meeting adjourned.

Respectfully submitted:

Christine A. Clarkson

Christine A. Clarkson, Office Mgr

Attested by: *Shawna Verdi*
Board Member

Witness: *S. R. Whipple*

River Rock County Water & Sewer District
Waste Water Treatment Plant Upgrade Public Meeting
Wednesday, October 5, 2011

Present: Shawna Verdi, David Keeney, Sharold Buerkle, Ron Squyres

The meeting was called to order at 7:05 p.m. by Shawn Verdi.

Board President Shawna Verdi opened the meeting by thanking those in attendance for coming and introducing Marty Gagnon of Morrison & Maierle and Ron Edwards.

Marty started by discussing the results of the September 13, 2011 Bond election. 1305 ballots were sent and 38% were returned, just shy of the required 40% necessary for a simple majority vote. 182 ballots were received in favor, 213 against. Without the 40% return, a super majority (208 for) would be required to pass the bond.

Marty then explained that the Board of Directors has decided to hold more informational meetings to educate the public on the necessity of the waste water treatment plant upgrade. The Department of Environmental Quality is requiring this project and has put the District under a compliance schedule to be within permit limits by October 2013. Financing for the construction of the plant is a crucial step.

Marty then went on to discuss the hand out in detail explaining the requirements of the discharge permit and that the current plant cannot meet the new requirements. He explained that there was an RFP for engineers and that Morrison & Maierle was selected and after their review of the current plant, prepared a PER on the necessary changes and upgrades and possible solutions. The Board was presented with several options and chose the recommended MBR plant as the most effective and least costly of the possible solutions. He then went on to explain what an MBR plant is and how and where it would be constructed.

A resident asked how long the new system would last and why the current system can't meet the requirements. Marty explained that the open air system is fine but it cannot meet the NEW requirements and the River Rock is not the only community in Montana that has to upgrade their plant to meet the new standards. Big Fork is currently one community in Montana constructing an MBR plant. Sharold pointed out that the current tolerance of "0" for E-Coli really can't be lowered any further so that requirement more than likely will not change. A resident then asked who determines the parameters for tolerance levels and Marty explained that the federal EPA sets the drinking water standards and the State of Montana Department of Environmental Quality is required to enforce those standards. Ron then brought the permit up onto the overhead and showed everyone the written parameters and explained different parts of the permit. A resident asked how the EPA comes up with their numbers and Marty said he wasn't sure how the specific numbers are reached but the Montana DEQ determined the less than 0 tolerance and regardless of how, River Rock is required to meet this. Sharold explained the proximity of neighbors to the treatment plant and that the depth of potable wells here make a difference on the quality of water being discharged.

Marty next brought up the total cost of the project and that \$300,000.00 will be forgiven if we meet the specific terms making this a 3.75 million dollar loan to be financed over 20 years.

Proposing a GO bond which places the mill on each property in the subdivision, the average home would pay approximately \$250.00 per year additional on their taxes. The GO bond is paid through taxes and not on the sewer bill. Ron Squyres explained that a revenue bond would not only be paid for monthly on the sewer bill but River Rock would be required to put 120% of the annual payment in a reserve account making the amount to borrow significantly higher. A revenue bond would be paid completely through the sewer bill and the difference between the GO bond and the Revenue bond would be approximately 1.6 million over the life of the loan.

Sharold gave a brief explanation of the current revenue bonds and that the state set the rates with the 120% in mind but that these current bonds are completely paid through the water/sewer bills. Marty said that it would be a difference of approximately \$9.00 per month between the GO bond and Revenue bond but again, one is paid through taxes and the other through the monthly bill. A resident asked where the 120% goes and Marty and Sharold explained that it's placed in an account and though it can accrue interest, it cannot be touched until the last few payments on the loan.

Marty moved on to the Operations and Maintenance costs that will be associated with the new plant once it's operational. It's estimated that the sewer rate will increase approximately \$13.00 per month to cover the O & M costs regardless of which financing option is chosen. If the next bond passes, the first charge will be on the November 2012 tax bill.

A resident asked about the decision to go with an MBR to which Marty and Ron S explained how the process worked from the RFP to the narrowing down of the candidates and final selection of Morrison & Maierle and then based on their assessment of the current plant how Morrison & Maierle recommended the MBR as being the most effective and least cost option available. Marty explained the challenges of spray irrigating if we kept the current plant (a land lease of 15 years, storage of waste over the winter, etc). He also discussed the option of connecting to Belgrade. They were unable to provide firm estimates on the cost and as they are currently waiting on their discharge permit approval, there may be upgrades as well. Estimated connection fees alone would be as costly if not more as upgrading our plant and then the cost of any potential future upgrades to their plant would be shared by River Rock customers as well.

A resident asked about the 4 Dot Meadows plant and while Marty said he was somewhat familiar with it, he didn't know much about it but with the type of plant it was and the volume in River Rock, it would not work. He also mentioned the AlgEvolve system that was discussed at the meeting in August and explained that River Rock did check with DEQ and their response was that it is experimental and would have to go through all of their testing before obtaining approval to be used in an application like River Rock. That testing alone could take more than a year and the volume currently being used in this type of application is way below the River Rock volume.

Ron Edwards asked about a date for the next election. Shawna said the Board is looking for a January 2012 election after more informational meetings to educate the public on this project. The Board will allow time at the regularly scheduled Board meetings to discuss the project with anyone who wishes to attend. They also said they would send out another mailer, possibly 2, prior to the actual election.

Residents in attendance mentioned that they were unaware of the mandatory necessity of this project and the financial hardship it will present. The Board acknowledged that the economy is bad but River Rock doesn't have the authority to disregard the mandate.

A resident asked if the current plant never met requirements and Sharold explained that the original requirements were fine but the current ones can't be met by the existing plant. Ron S explained that with the 0 E-coli, an open lagoon system will always be a problem. The new plant will still utilize the lagoons but in a different way.

A guest in attendance asked if the 0 tolerance was unique to River Rock and Ron and Marty said no but due to the proximity to the drinking water wells nearby, ours does require the 0.

Ron E mentioned that there is a specific email address for the waste water treatment plant upgrade if there were any questions residents had later.

The meeting was adjourned at 8:00 pm.

Respectfully submitted:

Christine A. Clarkson

Christine A. Clarkson, Office Mgr

Attested by: *Shauna J. Udri*
Board Member

Witness: *Suzette R. Whipple*

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
Thursday, September 15, 2011

The meeting was called to order at 7:02 P.M. by Board President, Shawna Verdi.

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle,
Josh McKenzie, David Keeney.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon,
Dan Klemann, Jim Holler, Michael Holler

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres made a motion to accept the August 18, 2011 meeting minutes with a change on p. 2 of "An efficiency tax..." to "Adeficiency tax...". Sharold Buerkle seconded the motion with amended text. Vote was 4-0. (David not arrived yet). Ron then made a motion to pay the claims presented. Sharold seconded the motion. Including a claim from Edwards for \$600 and Muniz for \$225, the total was \$25,346 .23

REPORTS:

Revenue Summary - Christine Clarkson
See printout.

Financial - Shawna Verdi
Checking \$114,093.88
Money Market I - \$218,695.76
Money Market II - \$80,079.49

Transfer \$63,000 to MMI
\$12,000 to MMII

Maintenance - Eddie not available.

Operations - Ron Edwards

See Operator's Water Report. Ron and Marty used this time to discuss the failed election. Some suggestions were to conduct a phone campaign, offer to hand-deliver ballots to the Elections Office again, give out more information emphasizing the cost comparison of a GOB vs Revenue Bond, and put reminders on bills.

Marty said have at least two more public meetings.

Ron said that people think a 'NO vote' ends it.

However, the upgrade is state mandated and must meet the deadline. The process for receiving absentee ballots for out-of-state property owners was stated. (2 votes were received in the Sept. election).

Marty has spoken with Bob Murdo regarding redoing a GOB election. Note: a Revenue Bond election could be by special assessment. Last resort would be a loan from SRF; would require approval by Anna Miller (DNRC), would cost more, and would require a 120% of annual debt service in reserve.

There is a small expense to do/redo an election.

Ron S. asked to have numbers for SRF ready for the next public meeting with residents.

The existing lagoon cannot be rehabilitated to meet requirements set by DEQ. The upgrade must be done. Board members signed an Official Canvas from Murdo's office.

Reserve the Community Center for a meeting the first week in October as well as the regular meeting on the 20th of October and do a mail-out before the election. If the second election fails, the Board could request a third election. Ron S. asked if the second election required a motion. With the existing resolution, Ron made a motion to move forward with the second election. Sharold seconded the motion. Motion carried with a vote 5 - 0 .

REGULAR AGENDA:

The deadline for filing for a position on the Board to fill two seats has past. David Keeney and Ron Squyres were unopposed, therefore, remain on the Board. Officers will be decided in November.

There being no further business, Ron asked that the meeting be adjourned. All in favor.

Meeting ended approx. 8:20 P.M.

Respectfully submitted,
S R Whipple
Suzette R. Whipple, Scty.

ATTESTED BY:

Maura Keigh

Board Member

WITNESS:

Cristine Clarkson

A PUBLIC MEETING OF THE
RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES, THURSDAY AUGUST 18, 2011

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

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle,
David Keeney

ABSENT: Josh McKenzie

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,
Marty Gagnon, Dan Kleinann, Don Walters, Clarice Walters,
Pat Lowry, Sally Howard, Jim Sargent, Bonnie Sargent,
Ben Erickson, Steve Eaton, Laura Carter, Harvey Carter,
Cheryl Patterson, Jon Patterson, Tom Clement,
Chris McBee, Kathryn McBee.

PUBLIC MEETING:

Board President Shawna Verdi introduced the board and presenters. Marty, engineer with Morrison & Maierle and Ron Edwards, RRCW&SD Operator, did a presentation regarding the improvements to the District's wastewater system treatment plant consisting of an advanced treatment Membrane Bio-Reactor (MBR) system, ultraviolet disinfection system, generator and improvements to existing lift stations and related improvements.

The existing system is two aerated lagoons, cell I and cell II, which hold and treat wastewater. Wastewater effluent leaves the second lagoon and gravity flows into a series of infiltration beds, IP Beds I - VII. The effluent then seeps into the ground through the bottom of the IP Beds.

In April 2010, the Dept. of Environmental Quality (DEQ) issued a wastewater discharge permit with a list of new water quality parameters that must be consistently met to remain in compliance. The present facility cannot meet these new parameters. The compliance schedule gives RRCW&SD until October 2013 to have a system operating that meets permit limits.

After advertising for bids, the board interviewed the applicants submitting proposals and hired Morrison & Maierle Engineering to evaluate the current lagoon system and complete a preliminary engineering report (PER). The PER proposed:

1. Spray irrigation - land not available in proximity to River Rock.
2. Connect to the City of Belgrade - too expensive and Belgrade's system also has limits.
3. Install a Membrane Bio-Reactor - raw sewage will go through a new facility and discharge into membranes and ultraviolet (UV) light.

M-M recommended #3. Construction would start in Spring 2012. The project would cost \$4.22 million. The Montana State Revolving Fund (SRF) would allow \$300,000 forgiveness and the District would borrow \$3.92 million backed by a General Obligation Bond (GOB). The assessment would be based on the value of the property, \$266.84 per \$100,000.

Revenue Bond vs GOB

Another financing option is the Revenue Bond. A Revenue Bond requires that 120% of one year's loan payment be held in reserve. This option would be more costly, generating an additional \$1.6 million in interest. An ~~efficiency~~ *deficiency* tax would be charged to cover the shortfall.

A GOB requires an election which has been scheduled for September 13, 2011. The ballots will be mailed to any and all registered voters with a River Rock address, including renters. If the election fails it could be rescheduled.

If the bond election passes, the first payment would be attached to the 2nd half taxes in 2012 (paid in Jan. 2013).

See District Website www.riverrockwatersewer.com/wwtp_project.htm for FAQs.

Floor was opened to questions and comments.

Is River Rock the only wastewater system with these compliance standards?

No, EPA evaluates standards every 5 years upon renewal of permit.

With compliance in October 2013, why not wait?

To start construction in March 2012, bid letting must be done NLT October 2011. A contractor has not been chosen yet.

What prevents the present system from meeting requirements?

It has not been able to consistently meet parameters nitrates ranging from 30 mg/L - 10 mg/L. The MBR would filter nitrates to less than 10 mg/L. Anything over zero for e-coli is not acceptable.

DEQ is coming out with new MTDLs. Will the new system be able to meet these requirements?

Without knowing what or if there would be changes, this question could not be answered. Note: This resident presented some basic information on a new concept now on the market and in operation in another state. He was told that any new design requires Montana DEQ approval.

Was the present system inadequate?

Design and application was submitted in the 1970s as Royal Village and put into service after construction in 1990s.

What about Landmark and Cobblestone?

Landmark and Cobblestone Subdivisions have individual septic tanks and drain fields. They do not use RR sewer.

Could they annex?

They would not want to as they have already put in septic systems.

What are the chances of state or federal grants?

Do not issue grants pro-reactive. An income survey was conducted to see if we qualified, but the median income was too high.

What would DEQ do if compliance was not met?

The District could be fined. This is not an option.

A resident who is an engineer said the board has not shown due diligence increasing taxes 18% and increasing sewer rates 28%.

How did the board come up with \$4.22 million cost?

M-M did the cost analysis.

Sharold: The board took presentations from 5 companies, meeting late into the night. The process has been in motion for about a year. An income survey was mailed out to try to qualify for Rural Development grants. M-M has worked very hard on the design and submitted it to DEQ for approval. Information was sent out about the project. The board meets regularly every third Thursday of each month. This is not the time to start the process over. The project must move forward to meet the Oct. 2013 deadline.

Residents continued to make comments that the process should start over. One said

there is a better way using algae to break down the nitrates. Marty repeated that with the new system, nitrates would be near zero.

Can the system handle the volume as River Rock is near build-out?

Volume is not the problem. The plant is designed for 200,000 gallons per day. During the summer, the usage is on average 150,000 gal./day.

Sharold: The District has chosen in the past to limit access to other subdivisions being built in the area to River Rock water. The wastewater permit was applied for in 2006 and issued in April 2010.

One elderly gentleman with hearing impairment, apologized if his question had already been answered. He had an interesting question about growth. He wanted to know if the sewer upgrade was a result of rapid growth in the area. No, the new plant will not be operating at capacity and could be expanded, if needed.

Marty ended the session with an explanation of what happens if the election fails.

Before closing the public meeting, Shawna invited everyone to stay for the regular meeting. Note: Just as last month, no one attended the rest of the meeting.

Public Meeting adjourned approx. 8:30 P.M.

After a 15 min. break the Board proceeded with the business part of the meeting.

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Ron made a motion to accept the July 21 minutes as presented and pay the claims totalling approx. \$22,861.33.

David seconded the motion. Vote 4 - 0. Motion carried.

REPORTS:

Revenue Summary - Christine presented activity report for July 2011 to the Board.

Financial - Shawna reported \$47,078.22 in checking, plus a pending deposit of 34,634.72, \$190,752⁺ in Money Market I and \$68,061.78 in MMII. Transfer \$40,000 (\$28,000 to MMI & \$12,000 to MMII).

Maintenance - Eddie said that Todd was working on Lift Station #2 on E. Vela. The valve got wet. There was a leak at 156 Jackson (a Schroeder property). Eddie will check similar properties.

Operations - Ron presented his written report to the Board. Well #2 did go down in late July. It was a wiring problem and had it rewired. Ron has been busy launching and updating the District's new Website. He will place a response to Dan Kleinann's question about an algae process on the Website.

Important notes. 1. We need both wells in the summer, and 2. perhaps Pump #3 could be rebuilt this winter.

REGULAR AGENDA:

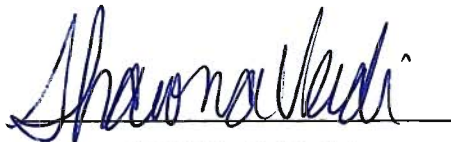
Shawna suggested making signs to remind residents about election.

Sharold called for the meeting to be adjourned. All in favor. Meeting ended at 9:20 P.M.

Respectfully submitted,


Suzette R. Whipple, Scty.

ATTESTED BY:


Board Member

WITNESS:



A PUBLIC MEETING of the
RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD of DIRECTORS
Meeting Minutes, Thursday, July 21, 2011

The meeting was called to order at 7:10 P.M. by Shawna Verdi.

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle,
David Keeney, Josh McKenzie

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon,
Pamela Pedersen, Bill Van Horn, Barbara Van Horn,
Jasmine Durnam, David Aubert, Scott Quinn

PUBLIC MEETING:

Ron Edwards and Marty Gagnon did a presentation regarding the improvements to the District's wastewater system treatment plant consisting of an advanced treatment Membrane Bio-Reactor (MBR) system, ultraviolet disinfection system, generator and improvements to existing lift stations and related improvements.

Ron and Marty introduced themselves: Marty operated the projector and led the discussion, while Ron operated the computer. History: The District was formed in April 2001. To meet DEQ requirements for a wastewater permit, the District has implemented many EPA standards, upgrades, and testing criteria. DEQ issued the permit in April 2010 with a compliance schedule to meet even higher standards. A pre-engineering report of what needed to be done, came up with a \$4.22 million project.

The MBR system would filter nitrates to less than 10 mg/L and remove e-coli bacteria with a physical barrier and back-up disinfection. Note: Acreage for spray irrigation to achieve this is hard to come by, and in Belgrade, too costly. There will be two back-up generators. A mechanical plant, as proposed, requires more labor and maintenance which means an increase in operating costs.

So, how will the District pay for this project? A General Obligation Bond (GOB) could be approved by a vote of residents. Each of the approx. 1031 connections would share in an assessment to be attached to the property taxes. Any registered voter, including renters, in River Rock Subdivision can vote. The election would be by mail due on September 13, 2011.

The District would borrow \$3.92 million (with a \$300,000 loan forgiveness). Including interest the annual assessment would be approx. \$267* - divided into two 6 mo. payments. The first loan payment would be due Jan. 1, 2013. This would be a 20 yr. commitment. The loan may be paid off early without penalty.

* \$267/\$100,000 taxable market value of home

When the project is completed and the mechanical plant is operational, the sewer base rate would be increased a little over \$13 to cover operating and maintenance costs.

As with any environmental concerns, this is a drinking water issue. How the discharge is released back into the ground is important in keeping the source-water clean. The groundwater table is about 45 ft.

Marty and Ron and the Board took questions from the guests. Here are a few of their concerns:

Why doesn't the Board start collecting revenue now?

Ans. We don't want to charge for the service before it is available. The revenue will not be needed until the first loan payment Jan. 1, 2013. Increased operating costs will not become a factor until the plant is operational in 2013.

Is this requirement by DEQ a result of the lawsuit?

Ans. No, the wastewater discharge permit is issued by the Montana Dept. of Environmental Quality. The permit is required because the discharge goes back into the groundwater. The permit has a list of water quality parameters that must be consistently met to remain in compliance with Montana law.

What is the difference in cost of a Revenue Bond and the GOB?

Ans. Initial comparisons were done. Ron will crunch the more current numbers and present the comparison at the August 18 meeting.

Guests were invited to remain for the regular business meeting after a short break.

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Ron made a motion to accept the June 16 and June 27 meeting minutes as presented and pay the claims totalling \$65,728.87. Josh seconded the motion. Vote 5-0 in favor. Motion carries.

REPORTS:

Revenue Summary - Christine reported normal activity.

Financial - Shawna reported \$92,865.57 in checking plus a \$13,279.16 deposit prepared by Christine.

		\$175,751	in	MMI	and		
		\$55,000	in	MMII			
Transfer	^{2 sw} \$ 17,000	\$15,000	to	the	bond	MMI	and
		\$12,000	to	the	Cap. Imp.	MMII	

Note: The \$12,000 transfer each month to MMII is revenue from the water and sewer rate increase.

Maintenance - N/A.

Operations: Ron reported an average of 1.5 million gallons of water per day. Pump #3 is running more - pressure problem.

The District's Website is up and running. Ron will post minutes, reports, etc. Check it out!

REGULAR AGENDA:

Christine and Ron will do a mail-out before the August 18 meeting. It will include a sample ballot, explanation of

project and General Obligation Bond (GOB), and meeting date and time. Residents will again be able to get information and ask questions.

There being no further business, Sharold made a motion to adjourn meeting. All in favor. Meeting ended 8:55 P.M.

Respectfully submitted,

Suzette R. Whipple

Suzette R. Whipple
Secretary

ATTESTED BY:

Shawna Leuch
Board Member

WITNESS:

[Signature]

Shawna

SPECIAL MEETING
of the
RIVER ROCK COUNTY WATER & SEWER DISTRICT
Board of Directors Meeting Minutes
Monday, June 27, 2011

This Special Meeting was called to order at 7:00 P.M.
by Shawna Verdi for the purpose of signing resolutions.

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

ABSENT: Josh McKenzie

GUESTS: Marty Gagnon, Scott Quinn, Ron Edwards

REGULAR AGENDA:

Resolution of Election.

Exhibit A - boundary legal description

Overall cost of project - \$4.2 million

Available for forgiveness - \$0.3 million (\$300,000)

Amount to be borrowed - \$3.9 million

Several upgrades will be included in this project:
purchasing a back-up sewer pump, a back-up generator
for the booster station, and work on LS#2.

Signatures were acquired for Resolution No. 2011-01
and Resolution No. 2011-02 (describing District's
selection of Membrane Bio-Reactor (MBR) as preferred
alternative). Both resolutions will be published in
the Bozeman Daily Chronicle.

Sharold made a motion for the Board to accept Resolution
2011-01, Resolution for Election. Ron S. seconded.

The vote was 4-0; motion passed.

Ron S. made a motion for the Board to accept Resolution
2011-02, Resolution of Agreement. Sharold seconded.

Vote was 4-0; motion carried.

Nov. ?

Charlotte Mills, Elections Office, sent forms calling for a Board of Directors election for three seats presently held by Keeney, McKenzie and Squyres. The incumbents or any qualified River Rock Subdivision resident can file as a candidate. The election will be held in October 2011. Verdi and Buerkle were unopposed in 2010 and elected by acclamation.

Ron S. made a motion to accept Resolution 2011-03, calling for a Board of Directors election in October 2011. Sharold seconded the motion. The vote was 4-0 in favor. Motion passed.

Discussion continued as to the next step(s) in the process. Public meetings to inform residents and to get input, preferably the same evenings as the monthly business meetings. Ron Edwards will send copies of the resolutions to Patty White, to put the Dept. of Revenue on notice of this proposal.

A mailout will be sent in August with the sample ballot, an explanation of the proposal, and the financing options pros and cons, cost and user assessment. The election must result in a 40% return of ballots.

The board will make arrangements to meet with the Belgrade School District Board re: Ridge View Elem. to be included in the assessment.

A more current property evaluation is coming out this fall reporting taxable values. There are 931 single-family homes in River Rock (includes modular homes).

Sharold made a motion to adjourn meeting. All in favor.

Respectfully submitted,
Suzette R. Whipple
Suzette R. Whipple, Scty.

ATTESTED BY: *Arnold Verdi*
Board Member

WITNESS: *[Signature]*

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD of DIRECTORS MEETING MINUTES
Thursday, June 16, 2011

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

PRESENT: Sharold Buerkle, Ron Squyres, David Keeney,
Josh McKenzie, Shawna Verdi

GUESTS: Christine Clarkson, Marty Gagnon, Eddie Muniz

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Ron made a motion to accept the minutes for May 19 meeting and all claims presented. Josh seconded the motion. Vote 5-0 in favor. Motion carries.

REPORTS:

Revenue Summary - Christine Clarkson there has been low watering due to rain, so revenue will not jump up next reading.

Todd sent an estimate for a grinder pump. A 2 HP pump would be \$5,500 installed. Eddie said the grinder stirs it up and keeps it from clumping. There was 1 water shut-off.

Financial - Shawna Verdi reported \$55,382.89 in checking plus a \$6K deposit pending. \$382,762.86 in MMAI and \$ 56,030.55 in MMAII

Bond payments are due at the end of June. Shawna and Sharold will go to the bank Monday, June 27.

Maintenance - Eddie Muniz reported that everything is clean. Bio-blocks have been placed in the lift stations. Todd cleaned out LS #2 after alarm sounded several times.

REPORTS (cont.)

Operations - Ron Edwards distributed his monthly water and sewer report. Gary U. is checking the sprinklers, getting ready to turn on irrigation for the common areas.

Having check valve issues. Chris w/NW Pipe is looking for design to correct problem.

In addition to water usage, testing results, and WWTP Data, the report includes the 2010 Consumer Confidence Report (CCR Attach. C), the Discharge Monitoring Report (DMR Attach. D)

Jason will be installing header pipes - two lateral line couplers to the blower laterals in the lagoons next week.

Property evaluation - Christine found 17 parcels not listed and 3 properties are not on the tax rolls. One of our biggest users is Ridge View Elem. School and has \$0.00 tax payments. The board will draft an agreement to present to the School Board, with input from Bob Murdo. Look at pro-rata amount (%) of the total. The school has its own curbstop and a well for irrigation. If the school district pays an assessment, then the mil rate would be lower for the rest of subdivision users.

Meeting on May 23 with Marty Gagnon at M-M and a couple of engineers from Helena on the phone, discussed blower noise. In the design, walls can be moved as buffer zones. Noise and appearance can have a neighborhood impact. The entrance on N. River Rock will be widened to accomodate larger trucks. Design of bldg., What will it look like? Similar to existing bldg. and will include an office.

REGULAR AGENDA:

Shawna discussed the resolution on the way from Bob Murdo. It will need to be signed. Board agreed to meet Tuesday, June 28 (changed to Monday, June 27) at 7:00 P.M.

Secretary will post Special Meeting. Board will also sign Resolution of Acceptance, written by Atty. Susan Swimley, required by DEQ. After acquiring signatures, the resolutions will be filed.

Budget and amortization for loan - Angela will do it again with new numbers.

When plant is in operation, the board will look at a rate increase to pay for operation and maintenance.

Mail out sample ballot including history and explanation. Have a tour of facilities after the August 18 meeting. The election will be held on Sept. 13 by mail ballot. Voters must be registered; 40% of ballots must be returned.

There are 3 board seats up for election. Resolution must be filed 75 days before election.

Sharold made a motion to adjourn meeting. All in favor. Meeting ended at 8:25 P.M.

Respectfully submitted,

S R Whipple

Suzette R. Whipple, Scty.

ATTESTED BY:

Shawna Leitch

Board Member

WITNESS:

[Signature]

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, MAY 19, 2011

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

PRESENT: Shawna Verdi, Ron Squyres, Sharold Buerkle,
Josh McKenzie, David Keeney.

GUESTS: Christine Clarkson, Ron Edwards, Eric Schlichting,
Marty Gagnon, Scott Quinn, Rosie Barndt.

CITIZENS COMMENTS:

Eric Schlichting, resident adjacent to the blower bldg., requested authorization to connect his property perimeter fence to the lagoon fence with a gate wide enough for easement to RRCW&SD utilities, NW Energy, etc.

Ron S. made a motion to allow Mr. Schlichting to connect his fence to the lagoon fence with easement. Sharold seconded the motion. All in favor. Motion passed.

CONSENT AGENDA:

Ron S. made a motion to pay all claims presented, including \$150 to ACOR for cutting out the asphalt covering the leak and any claims presented by Operator, Ron Edwards, also, accept the April 21 minutes. Josh seconded. All in favor. Motion passed.

REPORTS:

Revenue - Christine Clarkson stated that there were 7 more foreclosures and 3 shutoffs. Most residents respond when she sends out notification letters.

Gallatin Asphalt presented a bid for \$700 to repair and replace the asphalt by the leak. Scott Quinn, President of the POA, said that Duneham Construction was doing their drains and possibly could combine jobs. Christine will call Gary U, POA Maintenance.

Financial - Shawna reported \$51,586.44 in checking,
a pending deposit 13,789.91 and
Cincinnati Ins. payment 17,000.00

MMI 354,643.04

MMII 44,022.69

Transfer \$40,000 from checking \$28,000 to MMI
\$12,000 to MMII

Maintenance - Contact Care & Quality Spraying for weeds in lagoon area.

Operations - Ron Edwards

Ron started with a deep discussion on equivalent dwelling units (EDU's) and taxable values. Each commercial connection receives a tax bill.

Ron reactivated the water district's Website. The URL is www.riverrockwatersewer.com. It has a similar look as the POA site and will have a link to www.riverrockpoa.org. It also includes the annual Consumer Confidence Report(s), rate structure, billing, and could also provide copies of minutes, ordinances, Rules & Regulations of the District, fiscal year audit reports, etc.

Ron would like to sit and talk with Marty. They set a meeting time Monday, late afternoon at 3:00 P.M. in Marty's office at Morrison-Maierle. Josh and Eric will also attend.

Jerry Paddock

*Blantsma
M-M Eng'r.
sw*

REGULAR AGENDA:

Marty Gagnon of M-M is working on design of the sewer plant upgrade. He will submit design to DEQ by July 1. Marty has also been in touch with Susan Swimley.

Rosie Barndt talked to the Board about the 2010 audit. She is waiting for a letter from Atty. Kaufmann delineating costs of his services and result of case. Statement of financial assets is approx. \$1.8 million. Year 2010 had a net income of \$223,000.

When budgeting, include loan interest as an expense. Chart of account(s) - be consistent of coding - to compare year to year. Split out water and sewer due to new sewer debt.

April 28, the District received a letter from Western Justice & Associates representing Morrison and Atkinson regarding the backup in the homes on North River Rock. A response was sent May 3 to Mr. Engle.

The board wants to retain John Kaufmann to deal with consideration and action taken to address demand letter.

Ron S. made a motion to retain Atty. John Kauffman of Kasting, Kauffman & Mersen, to address demand letter re: Morrison and Atkinson; with consideration and action. Josh seconded the motion. All in favor. Motion carried.

Due to recent changes in board members, bank signatures need to be deleted and added.

The meeting ended with a presentation from Shawna and the RRCW&SD Board of Directors of a plaque to Sharold for 10 years of service. Thank you for your unwavering dedication to making the District run smoothly and financially secure.

Meeting adjourned 8:25 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY:



WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, APRIL 21, 2011

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

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

ABSENT: Sharold Buerkle

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,
David Keeney, Bob Murdo, Todd King (AWWS)

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Steve Rude motioned to pay all claims presented and approve the March 17 minutes. Ron Squyres seconded the motion. All in favor, motioned carried 4-0. Claims added up to \$53,994.63.

REPORTS:

Revenue Summary - Christine Clarkson deposited a check from Cincinnati Insurance in the amount of \$12,500.00. She also had a handful of mail with payments.

Financial - Shawna Verdi reported \$59,312.82 in checking,
\$354,508.81 in MMAI, and
\$44,014.84 in MMAII.

Transfer zero funds to the Money Market Accounts.

Maintenance - Eddie Muniz reported that on April 7, he and Eric went around looking for leaks. Didn't find much, nothing to explain the water loss. The consensus is that the leak is probably in River Rock Subdivision. Eddie asked Operator Ron Edwards if he could shut off the main at Landmark during the night, then isolate sections.

Operations - Ron Edwards continued his conversation with Eddie: C-900 pipe is a poor resonator for trying to locate a leak. Plans are to continue searching visibly, billing spikes, and water-flow measurement. If the loss of water is not identified, Eric will be called back.

REGULAR AGENDA:

Bob Murdo was given the floor to discuss options for financing the sewer plant upgrade.

- . The market percent ATT is 4 3/4.
 - . There is money available at DNRC for SRF forgiveness portion @ 3 3/4%: \$450,000 out of the first million, thru a grant.
 - . Anna Miller, DNRC, is checking and will know within two weeks. She makes the decision regarding revenue bond(s).
 - . Marty's budget projects \$4,000,000
 - . Useful life of system should reflect in loan term
 - . A 20-yr. loan would be \$261,000 yr.
 - . A 25 yr. loan would be \$226,000 yr.
 - . A 30 yr. loan would be \$203,000 yr.
- Divide each amount by the number of connections;
this would be individual assessment each yr.

The lawsuit is resolved. That is a plus for the District's finances. What kind of bond is more favorable? Revenue vs General Obligation Bond (GOB).

GOB

- . based on property value
- . can be attached to county tax*
- . requires an election by registered voters

Revenue

- . requires 1 yr. debt service in reserve
- . part of the loan may be forgiven

* assessment would be tax-deductible

The start date for the project is driven by the compliance date. After passing a resolution, hold a Public Hearing. (The CCR goes out in June; attach notice of hearing.) Bob will write the resolution and submit it to Charlotte Mills, Elections.

The consensus was that the GOB would be easiest; therefore,

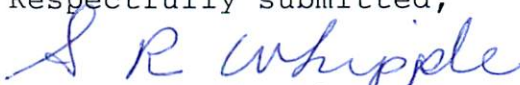
Plan A GOB
Plan B Revenue Bond (under compliance)

After Bob's departure, Todd King was given the floor. Lift Station 2 had a thermal overload and tripped the alarm. The next night the Lift Station was backing up and no alarm sounded. The intrinsically-safe relay was faulty when OFF switch was on. Todd changed 3ISRs. Needs a new buzzer and mother board.

Todd recommended that someone from AWWS be present to turn off dialer when others work on Lift Station, such as, Scenic City, ... A 15 min. delay is too long. A 2 HP grinder could help break up the grease cake. Work on LS#2 could be listed in the project. (and a back-up generator for the booster station). Christine said that an overflow tank could be installed by the LS. Another method is to check drains in each house with a basement. Shawna says that we need to look at upgrading LS(s). Also, needs voltage protection. Steve asked Todd to submit a proposal. Ron, Operator, would like to have a meeting with Dave Potts to discuss Well#2.

Steve Rude is moving and submitted his resignation from the Board. Steve served over 7 years and was instrumental in resolving the lawsuit. Many, many thanks to you. Shawna accepted Steve's resignation. Ron S. made a motion to nominate David Keeney to fill Steve's seat. Josh seconded the motion. Vote was in favor 4-0. David was welcomed to the Board.

There being no further business, meeting was adjourned.

Respectfully submitted,

Suzette R. Whipple, Scty.

ATTESTED BY: 
Board Member

WITNESS: 

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, MARCH 17, 2011

The meeting was called to order at 7:05 P.M. with a quorum of 3 board members.

PRESENT: Shawna Verdi, Ron Squyres, Steve Rude, Sharold Buerkle (arrived 7:55)

ABSENT: Josh McKenzie

GUESTS: Christine Clarkson, Ron Edwards

CITIZENS COMMENTS: None.

CONSENT AGENDA:

Ron motioned to pay claims and approve the February 17 minutes as presented. Steve seconded the motion. All in favor. Motion carries. Claims total \$19,714.69.

REPORTS:

Revenue Summary - Christine did not have the printout available, however, revenues are strong.

Financial - Shawna reported \$51,740.42 in checking and \$12,423.34 deposit pending.

\$324,370.65 in MMAI
\$32,009.07 in MMAII

From checking, transfer \$45,000.00 -
\$33,000.00 to MMAI
\$12,000.00 to MMAII

Maintenance - not available

Operations - Ron Edwards (See Operator's Report for details)

Despite repairs to several leaks, water production is high for winter usage. A leak detection survey was conducted by Eric from American Leak. After snow melt, curb stops will be checked. Still having electrical problems with Well#2. I noticed higher levels in the lagoon and checked the flow from cell#1 to cell#2. ^{Cause} due to a LARGE mophead stuck in the line.

Preliminary testing for the new plant design is ongoing. Taxable values, mill rates, and funding were discussed. The bond election would be held this summer.

REGULAR AGENDA:

The board approved purchase of printer ink for the secretary.

Steve moved that the meeting be adjourned. All in favor.

Meeting ended approx. 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, FEBRUARY 17, 2011

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

Present: Shawna Verdi, Ron Squyres, Josh McKenzie

Absent: Steve Rude, Sharold Buerkle

Guests: Christine Clarkson, Ron Edwards, Scott Quinn,
Marty Gagnon

CITIZENS COMMENTS/REQUESTS

Scott Quinn, Pres. RR POA BOD, raised the question of combining expenses, such as, insurance, shared responsibilities, irrigation and lighting. Shawna suggested consulting with insurance agent(s).

Gary, a POA employee does do some work for the RRCW&SD as needed, such as mowing around the blower bldg. and inside the fence at the pumphouse. A short history of the two boards was discussed and debt incurred by both. RRCW&SD provides water to the POA to irrigate community parks at no cost.

CONSENT AGENDA

A motion was made by Ron Squyres to pay claims presented and approve the January 2011 meeting minutes.

Josh McKenzie seconded the motion. All in favor, motion carried. Claims totalled \$39,994.35.

REPORTS

REVENUE SUMMARY

Christine provided printout of product billed and deposits for the month of Dec 2010.

There have been 3 foreclosures on Green Tree and 25 total in River Rock Subdivision, comparable to surrounding areas, especially new-builds.

FINANCIAL

Shawna reported \$50,719.72 in checking and \$319,240.79 (MMAI) and \$32,003.00 (MMAII). \$5,000 will be transferred this month.

MAINTENANCE

Not available.

OPERATIONS

Ron Edwards reported high water usage again this month - the system has a leak!

Eddie located one at a curb stop on Meadow Brook and another larger leak was reported by a resident having low water pressure. Both are being repaired. There is no indication of a leak at Landmark.

Ron will be attending a meeting in Great Falls.

The website will be rebooted. GoDaddy's will host the site for \$14 mo.

REGULAR AGENDA

Marty Gagnon presented two financing scenarios. See printout.

The median income of the residents who responded to the survey is \$45,147.50, too high to qualify for financing thru Rural Development.

Ron Squyres moved to sign the agreement with Siemens Water Technolgies Corp. for design. Josh seconded. All present in favor. Motion passed 3 - 0.

REGULAR AGENDA (cont.)

Christine is waiting for Ty to call with information regarding insurance coverage/costs.

Cincinnati Insurance wants to increase rates.

There being no further business to conduct, the meeting was adjourned at 8:00 P.M.

Respectfully submitted,

S R Whipple

Suzette R. Whipple, Scty.

ATTESTED BY

Shawna Verdi

Board Member

WITNESS

Christine Clarkson

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, JANUARY 20, 2011

Before the meeting opened to the public, the Board met with attorney to discuss and update litigation.

The meeting was called to order at 7:18 P.M. by Shawna Verdi.

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

GUESTS: Eddie Muniz, Ron Edwards, Christine Clarkson, John Kauffman,
Scott Quinn, Stoney Wahl.

PUBLIC COMMENT/REQUESTS: Two Board Members from River Rock Property Owners

Association, Scott Quinn and Stoney Wahl had questions about Board operation.

Does RRCW&SD have a County Resolution? Yes.

When are elections held? In November.

Term conditions? 4-year terms, staggered expirations. There is a monthly \$80 stipend to each board member.

The board has independent contractors (vs employees) for operations, maintenance, and office management.

CONSENT AGENDA:

Steve Rude made a motion to pay claims and accept the December 16, 2010 meeting minutes: Ron Squyres seconded the motion. Vote was 5-0. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson distributed copies of the spread sheet of accounts billed and deposits. She left notes on 36 doors of final notice before shutoff and had a good response.

Income Surveys are still being returned, some in the dropbox.

Financial - Shawna Verdi reported \$63,726.07 in checking and \$286,120.33 in Money Market Acct. I and \$20,000.93 in MMAII.

Transfer \$45,000 from checking to MMA I and II.

Maintenance: Eddie Muniz reported all is well.

Operations - Ron Edwards distributed his monthly Water & Sewer Report to the board.

Scott set points on pump #1 in the booster station to widen the range within factory specs. Future plans call for a separate generator for the booster station. Is there a leak in the system? Readings are high - Ron will check Landmark meters.

Pump #2 may be chasing this phantom leak.

Leak detection will be scheduled early this spring.

Eddie noticed that gravel had been pushed near a curb-stop. He will check for leakage, including by the school where snow is being piled.

Squyres suggested having another Tour of the Facilities in the spring and invite the POA Board of Directors.

REGULAR AGENDA:

Atty. John Kauffman presented a draft of the settlement agreement and acquired signatures.

All parties have agreed to a payment of \$189,000, paid by the insurance carrier. This settles all past claims and DEQ will proceed with issuance of the permit for the River Rock wastewater treatment plant. See copy of Draft and Exhibits for further explanation.

Exhibit C is settlement for minors. If willing to sign off at a later date, John needs a motion to appoint a signatory to sign settlement documents.

Public comments: None.

Board discussion: None.

Sharold Buerkle moved to have Steve Rude give final approval as the appointed signatory.

Steve Rude seconded the motion. A vote 5-0 carried the motion.

The Board moved on to the projected 2011 budget vs the 2010 actual expenditures. The members looked over and discussed items line by line. Ron spoke about depreciation. He commented that engineering costs were not factored in the recent rate increase. \$10,000/month is projected for design of new plant. Sharold noted that repairs have been absorbed by the general fund. Legal costs were up in 2010 but hopefully will be down in 2011 so a reverse adjustment can be made for 2011. Edwards will talk to Rosie re: depreciation.

2010 Audit - board wants to continue having audits done every year. Contract is in place. The next audit for 2011 will need a new contract.

Christine said her meter reader is malfunctioning. There is a \$723.00 maintenance charge.

Ron Squyres moved to close meeting. All in favor. Meeting adjourned at 8:40 P.M

Respectfully submitted,

S R Whipple
Suzette R. Whipple, Scty.

ATTESTED BY: *Shawna Verdi*
Board Member

WITNESS: *Christine Clark*

Christine said her meter reader is malfunctioning. There is a \$723.00 maintenance charge.

Ron Squyres moved to close meeting. All in favor. Meeting adjourned at 8:40 P.M

Respectfully submitted,

S R Whipple
Suzette R. Whipple, Scty.

ATTESTED BY: *Shawna Verdi*
Board Member

WITNESS: *Christine Clark*