

River Rock County Water & Sewer District
Board of Directors Meeting
Thursday – January 19, 2012

Present: Shawna Verdi, David Keeney, Sharold Buerkle

Absent: Ron Squyres, Josh McKenzie

Guests: Jeff Milesnick, Duane Burkenpas, Chandra Inman, Eddie Muniz, Eric Beavon, Lynn Kris Nelson, Christine Clarkson, Ron Edwards, Marty Gagnon

Shawna started the informational portion of the meeting at 7:05 pm by introducing Marty Gagnon. Marty gave a brief overview of the election process, the dollar amount necessary, the specifics of the bond and the project. He explained the differences between voting yes or no on the ballot.

Residents in attendance expressed that the most recent 1 page mailer was much more concise and clear. They also said that a meeting in February might be a good time to invite the press to put another article in the paper.

The regular meeting of the Board of Directors was called to order at 7:22 p.m. by Shawn Verdi.

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

Revenue – Christine went over the highlights of the revenue report. The payment from the insurance company for the broken water lines and subsequent flood at the blower building have been deposited and payments to those vendors will be made this month.

Financial – Shawna reported the following for the bank accounts:

Checking	\$68,099.01
Money Market I	\$243,383.08
Money Market II	\$120,139.98

Transfer \$20,000.00 to MMI
 \$12,000.00 to MMII

Maintenance – Eddie said that everything has been running smoothly.

Operations – See Operator's Reports for December and January. Ron reported that the daily water usage has remained steady at 180,000 per day. The monthly sampling has all been done and all results came back fine. He also said that Jason Burk was out this week and repaired another broken coupler in the air lines and adjusted one of the boots that was a bit loose.

There was a discussion on the proposal from AWWWS for the E Vela lift station. Ron believes some of the proposal is viable for our application but would like to talk to someone who uses this type of pump and stirring apparatus. There was also discussion about an above ground type of lift station that offers redundant pumping but does not rely on electricity to address the issues at

the East Vela lift station which would roughly cost ar4ound \$100,000.00. Sharold pointed out that if necessary, this could be financed by the Capital Improvement Money Market account. This type of additional lift station would operation on an independent float that would call if the level got to a certain point.

Ron also drafted a letter to DEQ regarding the full time chlorination required for River Rock whereas Belgrade is NOT required to full time chlorinate despite 35 positive hits for Belgrade versus 31 for River Rock over a specific time period. None of the hits in River Rock were for Fecal or E-Coli. He'll email the letter to Christine and Shawna to finalize and send out.

Christine brought up a notice from Cincinnati Insurances that they will not be renewing our policy. Sharold made a motion that in light of Cincinnati dropping River Rock Water, we pursue the MACO option for our liability insurance. Motion seconded by Dave. All aye. Motion passed.

With the ballots set to go out next week, Dave thought that having additional mailings to get the word out and remind everyone of the vote might be beneficial. There was discussion on what types and it was decided that another 1 page mailing like the one that went out earlier this month should be sent out around February 1 on a bright colored paper and then a postcard reminder send out around February 10 as a final push prior to ballots being due back at the elections office.

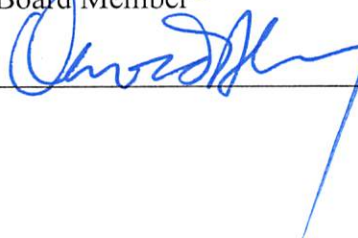
There being no further business to discuss, Sharold made a motion to adjourn the meeting at 7:50 pm. Dave seconded. All in favor. Meeting adjourned.

Respectfully submitted:



Christine A. Clarkson, Office Mgr

Attested by: 
Board Member

Witness: 

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS INFORMATIONAL MEETING MINUTES
MONDAY, FEBRUARY 6, 2012

The meeting was called to order at 7:00 P.M. by Shawna Verdi, board president, in the Ridge View Elem. School cafeteria.

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

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon, Larry & Renae Grantier, Don & Clarice Walters, Jim Spell, Ben Erickson, and Jon Patterson.

District Operator, Ron Edwards, and Morrison-Maierle Engineer, Marty Gagnon did a presentation to inform the public regarding the sewer system upgrade. It now consists of a lagoon and holding/percolation cells. A Membrane Bio-Reactor treatment plant will replace the aerated lagoon treatment system. There will also be ultra-violet light disinfection, sludge stabilization, and an equalization basin.

The RRCW&SD Board had considered connecting to the City of Belgrade but the cost would be prohibitive and the operation would be out of River Rock's control. Aeration would require a large parcel of land.

The new plant will be designed to handle upwards of 200,000 gal/day of raw wastewater at a cost of \$4,200,000.00 plus operating costs. If the GOB bond election passes, the state would provide the first \$300,000.00 in loan forgiveness. Then the District would only have to borrow \$3.8 million. The annual cost per resident will be approx. \$250 yr. which will appear on property taxes, half payable in Nov. and half payable in June. The cost of operating and maintaining will be added to the sewer monthly bill once the plant is completed.

Marty & Ron also compared the costs of a revenue bond (if the election fails).

The elections office needs to receive 40% of the ballots returned and will be a simple majority decision.

Despite delays, the engineers feel that the project could be completed by November 2012.

The first assessment will appear on the Nov. 2012 tax bill.
The plant must be completed and running in compliance by Oct. 2013.

A Q&A session was opened to the guests.

Q: Was River Rock singled out for new standards?

A: No. The new compliance standards are affecting many areas, Gallatin Gateway, Three Forks, Bridger Pines, ... The mission of DEQ is to protect the groundwater. This is not a Property Owners Association issue.

Q: How will property taxes, overall, compare to Bozeman?

A: There is no direct correlation because of local passage of bonds for schools, roads, roofs, libraries, ...

Q: Can the developers be held liable?

A: Not for changes that occurs in the future. Permits are up for renewal every 5 yrs. and can be subject to more stringent standards.

Q: Will an operator or manager need to be hired to run the new plant?

A: Ron will continue to be the operator. He holds a Class I license overseen by DEQ.

Q: What if the GOB election fails or River Rock decides not to comply?

A: Non-compliance is not an option. David Keeney spoke at length about how the board would proceed to get the job done.

Q: This is a costly system. Were other options considered?

A: Yes, DEQ has to approve the project. The proposal has to a proven system approved in the state of Montana.

Another upgrade will not be necessary in 5 yrs. David said that we do not have to expand for any future growth in River Rock. Ron said that monitoring wells are tested quarterly and some Wildhorse residents have put in monitoring wells that they would monitor.

Q: Shawna asked if everyone has received their ballot?

A: Yes.

Bids will go out in March 2012. Completion may go into 2013. Shawna asked the guests to pass on this information to their neighbors.

Q: Have construction permits been issued?

A: Construction permits are being reviewed at this time by Jerry Paddock (DEQ) who is also involved with the financing. So, once the bond is approved by the residents, approval and financing should move swiftly.

Q: Has a system like this one been built?

A: A similar system is being built in Big Fork.

There being no further questions, the meeting was adjourned at 7:50 P.M.

Respectfully submitted,

Suzette R. Whipple
Suzette R. Whipple, Scty.

ATTESTED BY:

Shawna Verdi

Board Member

WITNESS:

[Signature]

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, FEBRUARY 16, 2012

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

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

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon,
Todd King.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres moved to accept the claims and the minutes of the informational meeting on February 6, 2012 and the regular board meeting February 16, 2012. Josh McKenzie seconded the motion. All in favor, motion carried.

REPORTS:

Revenue Summary - Christine Clarkson presented written report.

A 4-plex was getting high readings - leaky toilet? Christine received a call from the landlord, if he thinks its the meter, Christine will check.

Insty Prints can print the water bills and postage through the Black Mountain Software at less cost.

Financial - Shawna reported \$55,535.96 in the checking

\$263,436.82 in MMI and \$140,161.76 in MMII.

With approx. \$13,000 outstanding in deposits and \$15,930.69 in claims, transfer \$17,000 to MMI and \$12,000 in MMII.

Maintenance - Eddie not available.

Operations - Ron Edward distributed the monthly water/sewer

report. Water production continues to run steady between 175,000 and 180,000 gal./day.

In testing, DEQ wants a composite sample. Ron will do another test.

Ron received a letter from Murdoch's request to provide water to its warehouse on Royal Rd. The request is for fire suppression and possibly irrigation. The main line does run along Royal Rd. property.

The board could ask DNRC for an amendment to place of use. Sharold suggested that Landmark's meter be moved.

The original water rights were set in 1987. Public wastewater systems save the quality of the groundwater vs individual wells and septic tanks. Therefore, expanding the place of use protects more land/water.

Example, Four Corners covers 16 sq. mi. In this area it is easy to find water digging a well.

Ron E. will contact DNRC about adding on for fire suppression without changing place of use.

Note: Nitrates lay around above 20 ft. below ground.

Decision by board pending Ron's conversation with DNRC.

REGULAR AGENDA:

1. Board replaced lost check #2902.
2. Early reports on bond election are positive. It closes tomorrow at 8:00 P.M. With the weekend and Monday a holiday, Ron E. e-mailed Charlotte Mills requesting the results ASAP.
3. Todd King, Advanced WasteWater Systems, attended the meeting to discuss the problem lift station. He put in a proposal. Material is being sucked out and could be moved to next lift station. The problem is the greasy caking on top. Is going down to the next lift station causing a problem there? The discussion continued with mixing, grinding, or removing. Todd wants to chop it up. Ron does not want to mix the caking, recommends a grinder. Todd's proposal was a quote on a float mixer. Todd said that a grinder doesn't take care of caking. Christine said that she saw a resident with a trailer-load of cooking grease from a food vending truck, possible illegal dumping?

Shawna noted that this lift station has always had a problem.

Todd submitted a proposal to the board on a grinder pump. A grinder pump needs a 2.0 HP motor. Ron E. would like to talk to an operator that has this particular equipment. Todd will make some calls.

Ron S. made a motion to purchase a reverse grinder pump for \$7,620.00 pending further inquiry by the operator. The quote includes electrical work. Josh seconded the motion. 5 ayes. Motion carries.

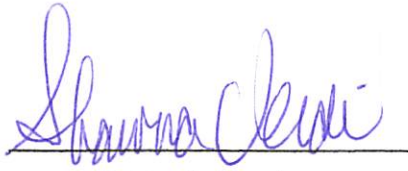
There being no further business, Ron made a motion to adjourn. All in favor. Meeting ended at 8:12 P.M.

Respectfully submitted,



Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



River Rock County Water & Sewer District
Board of Directors Meet to Canvass Votes
Monday, February 20, 2012 6:00 P.M.
129 Village Dr.

PRESENT: Shawna Verdi, Sharold Buerkle, David Keeney.

Elections Office, Gallatin County, reported the results of the February 17, 2012 Bond Election by River Rock residents. Out of 1,102 ballots, 574 were returned. The tally was 506 voted Yes and 68 voted No.

Shawna asked if the board should respond to the newspaper? David agreed, send an e-mail to Rachel Hergett at the Bozeman Daily Chronicle.

Board members present signed papers to acknowledge board accepts the election results. Copies will be sent to Bob Murdo and Anna Miller.

David voiced concerns that when the project is started, there will need to be access to construction site and roadways. (See June 2011 p. 2 for preliminary discussion.)

Contractors usually adhere to not starting work until 7:00 am and a set afternoon/evening hour.

The board wants to revisit approaching the Belgrade School Board re: Ridge View Elementary.

A motion was made by Sharold to accept the official count of the Feb. 17 vote. David seconded the motion. All in favor 3-0. Motion carried.

Meeting adjourned.

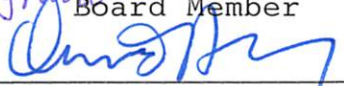
Respectfully submitted,


Suzette R. Whipple, Scty.

ATTESTED BY:


Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, MARCH 15, 2012

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

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

ABSENT: Sharold Buerkle.

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,
Marty Gagnon.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres motioned to accept the minutes of the Feb. 16 regular meeting and the Feb. 20 meeting to canvass the voting results (Bond Election); and to pay claims with the addition of \$592.16 to Ron Edwards for a total of \$46,408.92. Josh McKenzie seconded the motion. Motion carried 4-0.

REPORTS:

Revenue Summary - Christine Clarkson presented the results for Feb. 2012. See report.

Financial - Shawna Verdi reported \$ 52,321.31 in checking, \$280,503.76 in MMI, and \$152,184.03 in MMII.
No transfer of funds. (\$24,000 will be transferred to MMII in April).

Maintenance - Eddie Muniz.

The Lift Station #2 on Vela contained many shop towels.
Who flushes towels down the toilet?

The grinder pump and chopper are not going to work on
this kind of waste - M. Gagnon.

The board wants a letter sent to residents in this area-
include a picture of the yellow towels and the cost of
two cleanouts in 10 days.

Operations - Ron Edwards

Water usage dropped the week of Spring Break; elementary
school closed.

A power bump caused the booster to fault out and did not
come back on. Christine reset it manually. She will
call Scott Martin to look over the phase protection.
Ron suggested start working on check valves in areas
where there are homes with basements, around 3-5 houses.
Then, looking at the lift station, a flapper could be
placed around the lift station, but may not solve problem.
Josh made a motion to get price range of installing
check valves for 3-5 houses.

After discussion, the motion was amended to include
all houses with basements upstream of the lift station.
Ron seconded the motion. Motion passes 4-0.

Landmark will also have to approve access to water for
Murdoch's warehouse. Write a letter that states "for
fire suppression only".

The district will need to continue assessing value of
sewer plant improvements and report to Dept. of Rev.
(Patty White) for taxable value.

Ron received an e-mail from Louella Schultz - the money
will be available March 30, 2012.

Ron made a motion to apply for Federal/State money.

Josh seconded the motion. Motion carried 4-0.

REGULAR AGENDA:

Contract with Morrison-Maierle: Cost \$316,501 (included in SRF loan budget). Sign the contract so Jerry Paddock (DEQ) can approve the preliminary engineering & design.

Next step will be to advertise for bids. Then award the contract and start the project in June 2012.

Notify the POA by letter of the construction start.

Christine has been working with Susan Swimley to renew or find a new insurance provider. And Ron will call Mark @ Central Insurance Agency (Belgrade).

A motion was made to retain Kasting kauffman & Mersen PC for services over & above Cincinnati Insurance can do to protect the District, by Ron S.; Josh M. seconded the motion.

Vote was 4 ayes to 0. Motion carried.

Ron asked that the meeting be adjourned. 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, April 19, 2012

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

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

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon, Eddie Muniz.

CITIZENS COMMENTS/REQUESTS: Note about Opticom digging.
Ron will try to contact engineer.

CONSENT AGENDA:

Ron S. made a motion to accept the March 15 minutes and pay claims of \$12,825.90. A response letter was sent to Drake Plaza re: water to upper floors. David K. seconded the motion. Motion carried 5 - 0.

REPORTS:

Revenue - Christine Clarkson submitted revenue summary for Mar 2012.

Financial - Shawna V. reported the balances in the District's accounts. Checking \$ 48,337.90 plus \$11K⁺ pending deposit. Money Mkt. I \$280,584.69 and M. Mkt. II \$152,210.65.

Transfer \$20K to MMI and ~~\$24K~~ (\$12K + ~~\$12k~~) to MMII.

** 12K SW*

Maintenance - Eddie Muniz said that the grinder was installed 9 days ago (Apr. 10) and it is doing the job.

Operations - Ron Edwards went over his Water Report.

Water usage is still under 200,000 gallons per day.

Residents will start watering their lawns soon.

Scott M. will consult manufacturer before resetting range of power fluctuations. Eddie reported that the pump#2 booster tripped last week.

Customers are complaining about "swimming pool water"-smelling chlorine in their water (it's also green in the bathtub). Ron would like to cut the 7.2 level to 4.4. It would be a cost saver as well as reducing skin irritation. Marty G. said Ron has a good argument about ground water depth to justify lowering chlorine. He also said that container contact is a factor. Ron S. made a motion to have Marty G. look at the numbers. Submit a letter if numbers warrant. Josh M. seconded the motion. All in favor. Motion carried 5 - 0.

Brent Miller owns property across Amsterdam Rd. He has requested to receive water from RRCW&SD.

Ron S. is not happy with digging up Amsterdam Rd. to lay pipe. Mr. Miller is not looking for a Yes necessarily, just an answer. Josh moved to deny request. Ron S. seconded the motion. Board voted 5-0 to deny request.

OLD BUSINESS:

The Morrison and Atkinson claim/lawsuit is going forward. Christine is designated contact. The parties have been referred to Cincinnati Insurance. Cin. Ins. has hired a firm from Billings to start the discovery. Kasting, Kaufmann & Mersen has been retained to protect the District.

REGULAR AGENDA:

Marty Gagnon, the engineer overseeing the construction of the sewer plant, held a pre-bid meeting on April 10 with contractors. 8 general contractors were represented and 2 did not attend. Expect to receive 5 or 6 bids.

The backup generator will not be included in the cost of the project. There is an e-grant system which requires a 28-page application.

Contract amendment - SRF needs a breakdown of time and materials.

Marty would like to bill \$135K from M-M, but sit on it. Bids are due Apr. 24 - accept a bid from lowest responsible builder. Two addendums: SCATA and wage changes (increases). Most of the trucks will enter and exit via Royal Rd. However, larger trucks may have to enter/exit on River Rock Rd. because they will not be able to turn around. The project will need a staging area to keep equipment on-site. Build a ramp - to be used in the future, also.

There being no further discussion, Ron made a motion to adjourn. All in favor.

Respectfully submitted,

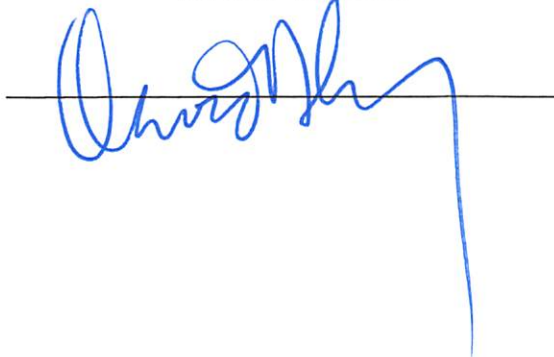


Suzette R. Whipple, Scty.

ATTESTED BY:


Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT

Bid Review

Thursday, May 3, 2012

The meeting was called to order by Shawna Verdi at 6:00 P.M.

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

GUESTS: Marty Gagnon.

Marty received 3 bids on the sewer project, estimated at \$4,300,000. All bids exceeded estimate. The District needs to find \$1.5 million in revenue or cuts.

.Some design changes and equipment cuts were discussed, but the consensus was not to degrade quality or efficiency of plant.

.The next suggestion was to negotiate with the bidders and the supplier (cut \$500,000).

.Talk to Anna Miller about the remaining million (SRF loan).

.Take the revenue generated by the maintenance and operations fee to pay for a revenue bond.

.SRF is lowering their rate from 3.7% to 3.5% (or 3.25%).

This drop will also reduce interest on the original loans, which will be paid off in 9 years, freeing up \$200K every six months.

Send proposal to Bob Murdo. This discrepancy will delay starting construction, but bids can be held for 60 days.

Jerry Paddock can pre-approve the process.

.Sharold said that the reserve CDs have been building interest.

That interest and the overage in Money Market I could be as much as \$200,000. Also, there is the \$300,000 contingency.

.Concrete mixing costs could be reduced by carrying a fuller load. Other areas to consider are excavation, painting, and landscaping. Concrete costs are way off.

David: Depreciation will be replaced by capital improvements plans.

Ron S: Chances are the new plant will not need capital improvement funds for 10 years. Part of the O/M fee is for depreciation.

•A revenue bond for \$1 million is feasible.

Marty said that he could come up with a revised time line and firm proposals by the May 17 meeting. M-MI will not bill any additional services as it was their estimate.

A NRR resident walking her german shepherd, stopped by the meeting to ask about the lagoon stench. Marty told her that the new plant would take care of the smell. She also noticed that Scenic City is emptying its truck into the lagoon. That is okay because they are pumping sewage from the lift stations and transferring it to the lagoon. She asked about the fence which is starting to deteriorate. A new gate will be added. Refurbishing or replacing the fence will be addressed when the project is completed.

•The bids for the generator were right on - \$110,000. A change to diesel would be cheaper vs gasoline.

Perhaps we need to ask for a Schedule of Values, not individual bids. The nearest bid was from Jackson Construction Group.

With a plan in place, Ron asked that the meeting adjourn.


All in favor. Meeting ended at 6:55 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 17, 2012

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

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

ABSENT: Josh McKenzie.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon.

CONSENT AGENDA:

Ron S. made a motion to pay all claims presented and accept the minutes of April 19 and May 3 meetings. Sharold seconded the motion. Board voted 4 - 0. Motion carries.

CITIZENS REQUESTS/COMMENTS: None.

REPORTS:

Revenue - Christine Clarkson, Office Manager, provided a summary of billings for the month of April. Residents are starting to irrigate their lawns. All is well.

Financial - Shawna read the balances of the checking account and Money Market accounts.

Checking: \$44,905.45 and a pending deposit of \$10,752.00[±].

MMI: \$300,653.78 and

MMII: \$164,234.83

Transfer \$20,000 to MMI and \$12,000 to MMII.

Maintenance - Not available.

Operations: Ron Edwards went over Operator's Report.

Water usage shot up in mid-May. Well #2 is having electrical problems. Ron will call NWE, Scott Martin,... See Report for more details, WWTP Flow, water sampling results, and correspondence.

REGULAR AGENDA:

Marty was given the floor to speak about procuring funds to cover the shortfall of cost estimate on the sewer plant upgrade. A \$50,000 CD will mature June 30, 2012. Sharold said the board can contact the auditor, Rosie Brandt, to determine how much of the other CDs can be used for debt payments. There is an excess of escrow in MMI. MMII is at \$176,000 so future transfers can go toward the project (\$12,000 mo.). So, there is \$200-300 thousand in cash available. The District can apply for an SRF loan to make up the difference. Ron E. we have a 60-day limit to choose a contractor. The board will notify bidders, with Marty's help can negotiate line item prices, also with suppliers.

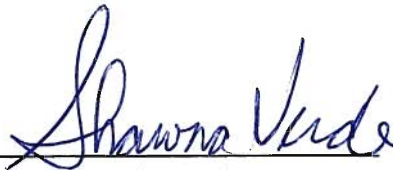
There being no other discussion, the meeting was called to adjourn. All in favor. Time: 8:05 P.M.

Respectfully submitted,



S. R. Whipple, Scty.

ATTESTED BY: _____



Board Member

WITNESS: _____



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
Thursday, June 21, 2012

The meeting was called to order at 7:06 P.M. by Shawna Verdi.

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

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards,
Marty Gagnon, Jared Kamp, Amanda Manion.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres made a motion to accept the minutes of May 17
and to pay the claims presented. David Keeney seconded the
motion. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson reported on the
District billing and accounts receivable. All is well.

Christine received final bond resolution and rate resolution
from Bob Murdo, which will be published in the paper.

Financial - Shawna Verdi reported balances of accounts:

Checking \$56,650.32 plus \$10k⁺ pending deposit.

MMI \$320,740.10

MMII \$176,262.72

A bond payment is due the end of this month.

Transfer \$12,000 to MMII.

Maintenance - Eddie Muniz wants to replace ~~check~~ valve at
Lift Station #2. Ron E. said don't wait - go ahead.
Todd King will give a proposal.

Operations - Ron Edwards went over Operator's Report.

Well #2 has a faulting problem. See Report for upgrade recommendations. If power fluctuations are the cause, then a soft start will protect the equipment. The board went with the recommended upgrade. A motion was made to order and install a soft start in Well #2 at a cost between \$5-6 thousand. Motion carried.

Sewer Main Line Backup - Opticom has been digging and installing fiber optic wire all over River Rock. Damage was done between manholes on Clinton and Jackson Streets, causing a sewer backup. Repairs were made - Opticom will be asked to pay for damages.

2011 Consumer Confidence Report was mailed to customers with the June 2012 billing.

REGULAR AGENDA:

2011 Financial Audit prepared by Rosie Barndt of Holmes & Turner CPA was presented to the board by Amanda Manion, an unqualified opinion.

- . District must hold 120% of annual principal and interest on bonds.
- . The drop in interest rates proposed will affect the \$ amounts. The audit was based on the current rate.

Board Vacancy - Josh McKenzie is moving to Four Corners, sold his house in River Rock; therefore, resigned from the Board of Directors. Thanks, Josh, for your service to your community.

Marty Gagnon - spoke of the Resolution for Rate Increase Resolution # 2012-001. A Public Hearing will be held on July 19, 2012 at 7:00 P.M. before the regular monthly business meeting.

Regarding the \$1.1 million loan from SRF, the 1st payment would be due the end of June 2013. The sewer rate

increase will generate revenue to help meet these payments and upkeeping the WW plant.

There will be a hearing scheduled in Sept. 2012.

Is the District going to hire a full-time operator? Possibly, Christine is studying to obtain a license.

The board will sign the resolution, give it to Marty, who will forward the document to Bob Murdo.

Sharold motioned to accept Resolution 2012-001. Ron seconded. Motion carried 4 - 0.

Recommendation for Award of contract:

The original estimate of the project was \$4,200,000. Bids came in at \$5.7 million. The board looked for ways to meet this overcost. Reserve funds, CDs, WW rate increase reduced the deficit to \$1.1 million, which they hope to borrow from the state. Siemens will reduce cost \$100,000 if they can order supplies and equipment by end of July. 75 hp pump and motor.

Change to gas-fired heater.

Motion was made by Ron to accept Siemens bid, provide a financial commitment letter, and \$330,000 contingency by end of July. Siemens can start the project within a month. Sharold seconded the motion. Motion carried.

Board vacancy will be filled by Jared Kamp.

Sharold motioned to adjourn. All in favor.

Respectfully submitted,

Suzette R. Whipple, Scty.

ATTESTED BY:

Board Member

WITNESS:

PUBLIC HEARING

&

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, JULY 19, 2012

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

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

GUESTS: Christine Clarkson, Eddie Muniz, Marty Gagnon, Curtis Backlin, Don Walters, Rick Anderson, Jim Pelletieo, Snooks Schmidt, Jill Palagi, Ned Maxson, Judy Maxson, Jon & Cheryl Patterson.

PUBLIC HEARING:

The Wastewater Rate Increase Hearing was held to give information and ask for public input on proposed increase of \$13.17 each month in the sewer base rate. Marty was given the floor and asked if there were any questions:

What does it mean that "There will be no change to the existing usage charge of \$1.00 per 1,000 gallons used."?

Marty - In addition to the sewer base rate increase from \$20.00 to \$33.17, customers will continue to pay \$1.00 for each 1,000 gallons used. The water base rate will remain at \$17.00.

Why not pass the cost to Landmark and Cobblestone?

Marty - We sell only water to Landmark Water Company. They are not connected to the River Rock sewer. They do pay a higher rate for water.

When will the increase go into effect?

Marty - the increase will be effective September 2012.

Other topics discussed were the financial burden on the customers, the upgrade is a result of stricter standards by the state (not system failure or growth in River Rock Subdivision), and the mixing zone is/will be gone.

After all questions were answered and explained, Shawna read Resolution 2012-002. Ron S. made a motion to accept Resolution 2012-002. Sharold B. seconded the motion. Vote 5 - 0 in favor. Motion carried.

Board members and the secretary signed the document. Public Hearing portion of the meeting closed. Guests were invited to stay for the regular business meeting following a short break (2 did).

REGULAR BUSINESS:

The meeting was reopened with a call for comments or requests from citizens. None.

CONSENT AGENDA:

The meeting minutes from June 21 were accepted and the claims in the amount of \$36,462.01 by motion and seconded. All in favor.

REPORTS:

Revenue - Christine provided printout of billings and deposits.

Financial - Shawna reported \$68,110.84 checking balance and a \$8,700⁺ bank deposit pending, \$115,041.83 in MMAI and \$188,292.84 in MMAII.

Transfer \$15,000 to MMAI and \$12,000 to MMAII.

Maintenance - Eddie. There have been noticeable drops in water pressure. Pump #4 needs to be running to have pressure. It can't keep water in the tank - alarm comes on and turns off pump. What is the problem?

Will the new soft start correct this problem?

Is there a flow meter on Well #2?

Is irrigation of common areas draining the tank?

The system is using approx. 1.7 million gal./day.

1,700 gal. are available per minute.

1,500 gal. are going out.

2,100 gal. per minute is the limit.

David asked, Why is Landmark and Cobblestone not on water restriction?

Eddie - It would be feasible to install meters to the largest River Rock common areas.

Send a letter to POA (Gary) asking what are the hours of irrigation. Ask Gary to change clocks - water more in the day.

Send a letter to Landmark Water Company asking for participation in odd/even watering of lawns.

Ron S. - tank is undersized.

Christine - we need a 3rd well.

A third well was permitted. Sharold - Did Potter-Clinton let it (permit) go? There is a line from Sibley.

Operations - Ron E. not available.

REGULAR AGENDA:

GO Bond Resolution 2012-003 is a 60⁺ page document.
\$556,000 will be provided by RRCW&SD.

Shawna asked Marty if the board can sign it now?

Yes. Sharold made a motion to accept the GO Bond

Resolution 2012-003. David seconded. Vote 5-0.
Motion carried.

Marty asked the board to appoint Shawna to sign contracts with Williams (general contractor) before the next meeting so the project can move forward.

Note: Pump #4 has been repaired by Dean electric.

No further business - meeting adjourned at 8:30 P.M.

Respectfully submitted,

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

ATTESTED BY:

Shawna Verd
Board Member

WITNESS:

[Signature]

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, AUGUST 16, 2012

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

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

ABSENT: David Keeney.

GUESTS: Chuck Wambeke (IAC), Marty Gagnon (M-M), Ron Edwards, Christine Clarkson.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Sharold Buerkle made a motion to pay the claims presented and accept the minutes of the July 19, 2012 meeting.

Ron Squyres seconded the motion. Motion carried 4 - 0.

REPORTS:

Revenue - Christine Clarkson submitted billing/deposit summary.

Financial - Shawna Verdi reported \$65,471.09 in checking and \$20K+ deposit pending.

\$130,074.27 in MMI, and \$200,323.77 in MMII.

Transfer \$42K - \$30K to MMI and \$12K to MMII.

Maintenance - Eddie N/A. Christine said that Pump #1 is fine, Pump #2 was pulled out- a chunk of PVC sewer found clogging the line. (From Opticom boring through sewer line?) and having 24-hr. run times, faulty flow and may need to be rebuilt.

Operations - Ron Edwards went over highlights of proposal for new SCADA system. See Attachment D. He then introduced Chuck Wambeke representing Industrial Automation Consulting, Inc.

The benefit of SCADA is it can catch more information. The alarm can go to Christine (and others), and is recording in real-time. The system takes approx. two weeks to install.

Sharold stated the this system is used by the schools, and can be operated manually.

Ron Edwards added that it would eliminate chart recorder and provide more accuracy. The Big Sky facility also used this and will be used in the new sewer plant.

Jared asked, Is it user friendly?

Chuck responded - there are no canned reports but can build reports.

Ron E. said the software can turn equipment on/off. The low system pressure today alarm due to a power outage, would have been detected by SCADA.

Sharold made a motion to accept IAC's proposal for a SCADA control upgrade. Ron S. seconded the motion. Motion passed 4 - 0. Chuck W. left for Billings with the task of ordering and arrange installation of the equipment.

Operator's Report - avg. well production is 1.6 million gal./day (see graph on p.1). Jul/Aug the avg. run times for wells remained around 16 hr./day. even on manual. The system however, runs better on auto.

The systems preesure changes if more water coming in than going out.

Dean Sybesma fixed the safety transducer. It was giving a . . . negative value. He added a resistor to create a false positive value so the PLC thinks the well water level is 60'.

Chlorination - installing 2 new pumps in booster station needs relay to bulk tank on 1st floor.

A revised Consumer Report will go out with the Sept. bill. It is posted on the WebSite.

REGULAR AGENDA:

The numbers look good for paying for the loan money borrowed from SRF. A lower interest rate of 3% helped. The school was not factored into the millage rate. The County Treasurer is good about getting monies paid before the payment is due. A Certificate of Value must be submitted each year. Keep a segregated account for this loan - per Bob Murdo, Bond Manager.

The interest rate on the original loan has not been reduced yet.

You can calculate your payment on the WebSite.

Jared made a motion to accept the 77.39 mil rate and authorize Shawna Verdi to sign documents as representative of River Rock County Water & Sewer District. Ron Squyres seconded. Motion carried 4 - 0.

Marty Gagnon - Engineer overseeing project commented on progress. Excavation has begun. Ready to pour concrete. Trucks using Royal Rd. for access. Photos of existing road have been taken. A few irrigation lines were hit. The District was billed for repairing sprinklers.

Bill Farrell, DEQ inspector.

A change order was submitted for \$28,500 - half of \$75,000 misquote on cost of liner to be added to Siemens.

Sharold made a motion to pay both repair orders. Ron S. seconded. Motion passed 4 - 0.

Ron S. said they need to understand not to do work without okay from board. Marty agreed and said he has talked to the contractors and they understand.

Contact Heather Bend with NWE - ask for hookup for electric and gas.

Contractor will submit first draw end of August.

So will Morrison - Maierle.

There is a little confusion about access to the drop box with trucks and trailer parked on the driveway. Board suggested putting cones on driveway at blower building while working.

The rate increase (sewer) will go into effect in Sept. Post the increase on the WebSite.

Ron S. called for the meeting to be adjourned at 8:15 P.M.
All in favor.

Respectfully submitted,



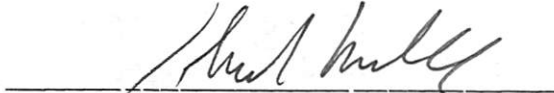
Suzette R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, SEPTEMBER 20, 2012

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

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

ABSENT: Sharold Buerkle.

GUESTS: Christine Clarkson, Ron Edwards, Eric Blanksma,
Curtis Backlin.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres made a motion to pay claims presented and accept the August 16, 2012 minutes. David Keeney seconded the motion. Motion carried.

REPORTS:

Revenue Summary - Christine Clarkson stated that irrigation is continuing into late September. Cobblestone meter was read today: 6 million gallons.

Financial: Shawna Verdi reported \$263,505.97 in checking, which includes monies for the first draw by contractor(s); \$81,854.40 remaining.

\$160,114.25 in Money Market I and \$212,361.32 in MMII.
Transfer \$50,000: \$38,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie out of town. Pump problem in LS #1.

Probably imbalance on 3-phase. Pump #2 is in upgrade plan - push to forefront.

David asked if there was any result to claim with Opticom regarding the large piece of PVC pipe from the damaged sewer line? Christine said we can't prove it but we know. Board: Have Susan Swimley write a letter to Pauley Construction regarding damage to the sewer line.

Gary (POA) is trying to recover the grass in River Rock parks. There may be sprinklers on at odd times.

Operations: The topic switched to chlorination. The chlorine is added to the water before it goes into the holding tank. Ron Edwards, Operator, spoke to Mr. Curtis' question about the letter from DEQ wanting full-time chlorination. He is concerned for his wife's health issues. Board: There has not been or recent concerns regarding coliform bacteria. The recent Water Quality Report 2011 addresses health risks with compromised immune systems.

Ron S. stated that the board has written a letter to DEQ asking why the chlorination requirement is so high. Surface water vs groundwater - all that chlorine sitting on lawns! Rachel Clark, with DEQ, computed the requirement.

A new PLC has been ordered for SCADA.

Bond debt list matches pretty close with Dept. of Revenue. A future meeting is planned to meet with school officials re: taxation (or lack thereof).

Nothing is simple: Some Modular Home owners do not own their lots but pay property tax. The landowner pays separately.

Resolution: Comply with IRS tax compliance 8-08G; a one-time form that the District has issued bonds and they are tax-exempt.

David made a motion for the above resolution, numbered 2012-004. Ron S. seconded the motion. The motion passed 4 - 0 (one board member absent).

REGULAR AGENDA:

Eric Blanksma gave an update on the sewer upgrade project. The electrical connection (NW Energy) cost \$2,153.00. He spoke with Jerry Paddock regarding assurance records are being kept.

Select paint color for new building. The color is on steel and may vary in light. Darker color will shed snow better!?! Shawna suggested that the color be kept with matching existing building. Board: We trust Eric's choice; light on body, dark roof.

Williams Const. is ahead of schedule and asked for more in first draw to cover expenses.

David asked that Marty be given a letter of explanation.

David made a motion to pay Williams Bros. \$139,551.07.

Ron S. seconded the motion. Check issued.

Ron made a motion to sign off on Northwestern Energy for \$2,153.00. David seconded the motion. Check issued.

FYI: Electricity for the aeraters in the lake comes from the RRCW&SD pumphouse.

Ron called for the meeting to be adjourned. All in favor.
Meeting ended at 8:08 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, OCTOBER 18, 2012

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

PRESENT: Shawna Verdi, Ron Squyres, David Keeney.

ABSENT: Sharold Buerkle, Jared Kamp.

GUESTS: Christine Clarkson, Ron Edwards, Marty Gagnon.

CITIZENS COMMENTS/REQUESTS: None.

CONSENT AGENDA:

Ron Squyres made a motion to pay the claims plus Ron Edwards' claim of \$775.00 and accept the minutes of September 20, 2012 meeting. David Keeney seconded the motion. Motion carried 3-0.

REPORTS:

Revenue Summary - presented by Christine Clarkson. She received many calls from residents regarding the increase in overall bill. Christine reminded them about the \$13.17± surcharge to generate revenue to pay first bond payment due in January 2013 and pay for increase in maintenance and operation of the sewer upgrade when it goes on-line.

Scenic City came out to check on big lift station. It seems to be dirtier due to grinder in E. Vela station.

The water pressure increased when pump#4 was put on-line.

Ron Edwards asked about separating accounts. Rosie and Christine will meet to work out the logistics.

Regarding Susan Swimley working on claims against Opticom/
Americom/
Pauley Construction. The cable laying operation is not

governed by PSC (Public Service Commission). The main sewer line was damaged, a piece broke off and jammed the lift station, popped lids on manhole(s), ...

Financial - Shawna Verdi went over the account balances:

Checking - \$221,179.32 (includes \$76,000 in monies for contractor early draw).

MMI - \$198,156.68

MMII \$224,392.68

Transfer \$98,000 to MMI and \$12,000 to MMII.

A TSEP grant has been approved for \$15,000.

Maintenance - Eddie N/A.

The check valves are bad on Lift Station #2. It could result in a system backflow. Operator, Ron Edwards, recommended doing all lift station work at the same time as the new pumps are installed. The check valves are on the outside and should be installed by AWWS.

Operations - Ron Edwards went over monthly water report.

Water usage is going down. Gary (POA) has shut down the park sprinklers.

Pump#2 in Well#2 has been replaced.

Well#1 is on-line now that usage is lower.

SCADA is up and running smoothly after replacement.

Opticom wacked 12" water main by Landmark (see diagram). This will be handled by Potter-Clinton. Bills need to be submitted to Americom.

David asked, how is this allowed to go on? He offered to attend the Gallatin County Commissioners' meeting early Tuesday morning to request Opticom/Americom/ Pauley Construction post a Performance Bond.

Bond debt - Kim Buchanan, county treasurer, everything will be on tax rolls. Ready to go - tax notices will out in early November.

Rick Caron with Potter-Clinton (PC). PC decided they want to flush pipes in Landmark. River Rock Water & Sewer District could store equipment.

Ron Squyres made a motion - If check valves are separate from upgrade, purchase them and install. David K. seconded the motion. Motion passed 3 - 0.

REGULAR AGENDA:

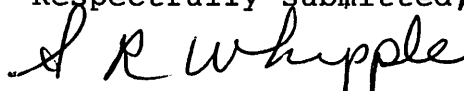
Marty's update - the project has slowed down because the concrete has to cure. The contractor hopes to catch up by bringing in an additional crew. The walls for the bio treatment basin are complete. (see report).

Williams Const. will install siding, roof, lab countertops & cabinets. Add baffling to reduce noise/direct light?

Marty, What factor # is being used for Chlorine?

Ron made a motion to adjourn. All in agreement.

Respectfully submitted,



S. R. Whipple, Scty.

ATTESTED BY:



Board Member

WITNESS:



RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY, NOVEMBER 15, 2012

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

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

GUESTS: Christine Clarkson, Eddie Muniz, Ron Edwards, Marty Gagnon,
Cliff Robetts.

CITIZENS COMMENTS/REQUESTS: Resident Suzette Whipple asked if
the \$13.70 sewer charge could be listed on the bill as a
separate line? Operator Ron Edward and Marty Gagnon, project
manager, said it is a permanent addition to the sewer base
rate, thus is combined with the previous \$20.00.

CONSENT AGENDA:

Ron Squyres made a motion to accept the October minutes and
pay the claims presented. Jared Kamp seconded the motion.
Motion passed 5-0.

REPORTS:

Revenue - Christine Clarkson presented accounts receivable
for water and sewer billings.
Christine requested that the metal detector be
replaced at a cost of approx. \$900. Ron asked
if the low-end device will work adequately? Yes.
Ron made a motion to replace existing metal detector
with like kind costing approx. \$900. Jared seconded
the motion Motion passed 5-0.

Financial - Shawna reported \$78,446.53 in checking plus
pending deposit of \$52,694.68, and
\$296,211.25 in MMI and
\$236,427.40 in MMII
Transfer \$85,000 to MMI and \$12,000 to MMII.

Maintenance - Eddie Muniz reported about the manhole covers being
hit by POA contract snowplower. The POA did a quick-
fix with a tar ring.
Manhole covers on W. Vela are done correctly -
others will be models. Russell Holmes submitted a
bid to fix for \$1,500. Eddie fixed 10 of the
worst.

Operations - Ron Edwards compared water usage from Nov 2011 165,000 gal/day to Nov 2012 at 195,000 gal/day. Possible leak? Ron S. asked if there were any unusually high bills? Will check. Lab results are attached to the monthly water reports. Tweaked recording data on SCADA. Ron was able to access the data from Big Sky. Pump #4 is running. R. Caron, Landmark, opened the hydrant to flush the lines. Ron asked Marty to push work directive. So, Neeley will do the work in a different order while waiting for ordered equipment to arrive. FYI - the bypass will be done during the second week in Dec. Move the manhole away from the liner. There may be a winter shut-down.

REGULAR AGENDA:

Elections of Officers

For president - Ron S. nominated Shawna to remain as president. Second call for nominations. All in favor for Shawna to serve another year.

For vice-president - Shawna nominated Ron S. to remain as vice-president. Second call for nominations. All in favor, Jared seconded motion, for Ron S. to serve another year as vice-president.

Project update

Construction is 1½ months behind. Seimens equipment is 6 months out. Marty recommended taking a winter shutdown. The company is also finishing up on Bozeman Treatment Plant.

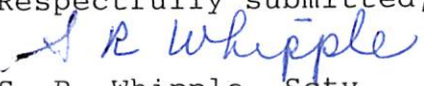
Bond Series

Start Series C - \$210,000 to Williams Const. Pay NorthWestern Energy before end of year due to tax increase. (NWE installation needs a building to attach it to!).


Next month's agenda will include bond payments for Series A,B, & C.

Ron moved for the meeting to adjourn. All in favor. Time: 7:40 P.M.

Respectfully submitted,


S. R. Whipple, Scty.

ATTESTED BY:


Board Member

WITNESS:

RIVER ROCK COUNTY WATER & SEWER DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
THURSDAY – DECEMBER 20, 2012

PRESENT: Shawna Verdi, Dave Keeney, Ron Squyres, Jared Kamp, Sharold Buerkle (7:25)
GUESTS: Marty Gagnon, Ron Edwards, Eddie Muniz, Christine Clarkson, Curtis Backlin,
Cliff Wrobetz

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

CITIZENS COMMENTS / REQUESTS:

Resident Curtis Baklin introduced himself and said he is a new member of the POA Board. He is interested in opening better lines of communication between the Water & Sewer Board and the POA Board. He said the high cost of watering lawns in the summer is causing people to forgo watering their lawns and wanted to know if there was anything that could be done. Ron Squyres explained about the option for the second meter and Christine Clarkson explained how the rates were set by DEQ when the District was formed so that there would be adequate revenue to make the bond payments. There was also discussion on how it is possible to keep a lawn green without incurring a high water bill just by using diligence and consistency when hand watering.

Cliff Wrobetz was in attendance at the meeting and introduced himself to the Board. He sent a letter (copy attached) regarding his interest in the new Treatment Plant. After retiring, he got his Certified Operators license and is interested in working for River Rock Water & Sewer in some capacity as the licensed operator at the new plant.

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

REPORTS:

Revenue Summary – Christine Clarkson

Christine went over the Revenue Report. While billing is down now due to irrigation being over, we are still bringing in adequate revenue though the number of 10 day letters each month remains consistent. She also informed the Board that we had received the first tax payment check from Gallatin County Treasurer in the amount of \$115,077.63 and the check for the Grant money in the amount of \$15,000.00 was also received. She received a check back from Northwestern Energy for the same amount as was paid for the service to the new building and Marty explained that because they were not going to get the service connected before the end of the year, they refunded back the money and that we would get a new invoice from them once the installation is scheduled next year.

Financial – Shawna Verdi

Checking \$300,177.66 – this amount includes the \$15,000.00 grant money as well as draws from Bond A and Bond B. There is also \$73,285.26 ready for deposit.

MMI \$381,291.03
MMII \$248,464.78
Transfer \$15,000.00 to MMI and \$12,000.00 to MMII

Bond Payments are due by 12/31/12 in the amounts as follows:

Water: \$83,340.00
Sewer: \$122,560.00
Loan B \$2994.08

Maintenance – Eddie Muniz

A couple of the air lines at the blower building are leaking again. We've been trying to get in touch with the contractor that made previous repairs but if we can't would it be alright to have Dan Morgan fix them. Also more of the manholes will need to be repaired come the spring.

Operations – Ron Edwards

Ron reported that usage is holding at just about 200,000 gallons per day every day. Well 2 is still not fully operational. Dean from Deans Electric has been working on it but he has a few more questions for Franklin and Cutler Hammer and does not feel comfortable running it in full auto mode until these questions are answered. It can be turned on if the need arises but not in Auto at this point. The daily demand this time of year is very low and as long as there are no problems, PW1 is able to keep up just fine. The DMR and WW flow reports are attached to his report. Both pumps at the main lift station are back on line and running fine. Marty said that when we get some better weather, Williams Bros is ready to install the new pumps and they're going to try to do it over a 2 night period during the lowest use time. PC Development flushed hydrants to clear out any debris that might have been in the lines from the water main break in September. At the same time they did some fire flow testing. Included in Ron's report is a copy of the flow report from the SCADA during the fire flow testing. Ron would like to repeat this testing in the summer when irrigation demand is heavy.

REGULAR AGENDA:

Project Update – Marty Gagnon

Marty presented the construction update. All is still going well but they are still 6 weeks behind. They asked for an additional 60 days. Marty said they need the time for the equipment to be delivered but not for construction itself. He is waiting to hear back from Barry on his response. Ron Squyres asked how far over budget the project is and Marty said that they are well within the contingency. Marty then gave the Board the draw for January to sign off on.

Ron Squyres asked if now might be a good time to discuss a generator. There was some discussion on which locations would need a generator. The booster station would require a generator to run all 5 pumps and 3 phase power requires a huge generator. Ron Edwards will pull out the old specs from T D & H and see what was recommended. Sharold recalled that it was around \$500K for generators that would run both wells and the booster station. The

new plant will have back up power but something else would be needed for the lift stations at NRR and E Vela, possibly a generator on a trailer that could be brought back and forth.

Ron Squyres moved for the meeting to adjourn. Dave Keeney seconded. All in favor. Time: 7:52 P.M.

Respectfully submitted,

Christine Clarkson

Christine A. Clarkson, Office Mgr.

Attest: *Shawn Verdi*
Board

Witness: *[Signature]*