

**FOUR CORNERS COUNTY WATER AND SEWER DISTRICT
MINUTES FOR
August 25, 2003 Board Meeting**

Meeting was held at the cafeteria at the Zoot Enterprises building located at Four Corners at 555 Zoot Enterprises Lane. Present at the meeting were Board members: Chris Nelson, John Hulme, Trina Kallenbach and Dennis Simpson. Board member Duane Sands was not present, having submitted his resignation. The four board members present constituted a quorum. Members of the public were also present along with District counsel and acting Secretary, John C .Brown.

The Meeting was called to order by President Chris Nelson at approximately 5:09 p.m.

By unanimous vote the Board approved the draft minutes for the August 4, 2003 Board Meeting.

Public input was heard on non-agenda items.

Attorney John C. Brown discussed the status of the two ongoing Gallatin County law suits against the District and the settlement proposal contained in the July 30, 2003 letter he received from Art Wittich. Mr. Brown reported that he had discussed the settlement proposal with Holly Brown, counsel for the County. Holly Brown stated that the County believes it has a strong case against Mr. Wittich's clients in both law suits. Ms. Brown stated that the County would not ask the Board directors to resign to satisfy the demand made by Mr. Wittich's clients.

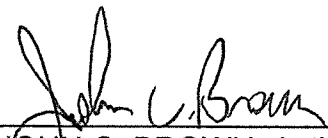
Regarding new business, Mr. Brown reported on the annexation requests received to date. Mr. Brown also discussed the proposed annexation ordinance.

The Board also discussed the resignation of Board member Duane Sands. It was the consensus of the Board to accept the resignation, but no motion was made or adopted.

The Board decided that the next Board meeting would be held at 5:00 p.m. at Zoot Enterprises on September 8, 2003. Mr. Brown was instructed to prepare an agenda for the meeting.

The meeting was then adjourned at 6:12 p.m.

DATED August 25, 2003.



JOHN C. BROWN, Acting Secretary and
Legal Counsel