

FOUR CORNERS COUNTY WATER AND SEWER DISTRICT MINUTES
Board Meeting October 4, 2006

1. Call to Order: A quorum being present, the meeting was called to order at 6:35 p.m. in the music room of the Monforton Elementary School, 6001 Monforton School Road, Bozeman, Montana

Present: John Hulme, Richard Smith, Ben Zavora and Mike Pearson

Absent: Don McHenry

Also present: Susan Swimley, attorney for the District, members of the public as reflected on the sign in sheet

2. Approval of Minutes: Richard Smith moved approval of minutes from the August 21, 2006 and the September 11, 2006 meetings as presented. Ben Zavora seconded the motion. Motion passed unanimously.

3. Old Business:

- a. Amendments to Rules and Regulations (rates and charges) Utility Solutions Contract for various service areas and report of ad hoc finance committee. –
No Report at this time.
- b. Annual Report – John Hulme has not sent out the letters seeking proposals for auditing the District’s finances as of the meeting date. John will follow up on this.
- c. Process of Gallatin Heights Petition to Annex- The Board has a valid petition and informed the Petitioners that the District would not be proceeding until September or October of 2006 on the Petitions. The Board discussed the need to be able to provide water if the property is annexed. The Board recognized that sewer service is currently available via Utility Solutions. Additionally Utility Solutions has provided a “will serve” letter and is pending a water hearing before DNRC.

Richard moved to approve either Richard or Susan to seek a bid from the same consultant used to review the Utility Solution contract. Ben seconded the Motion. The Board discussed the scope of work that will be needed to review the Utility Solutions information and the Petitioners need for water. It is expected that the same consultant will be looking at the other requests for annexation also. John Close of Utility Solutions informed the Board that the water for Gallatin Heights, Flikkema and Black Bull Run will be coming from the “8 well application” and the “9th well” application. The motion was unanimously approved.

4. New Business

- a. The Black Bull Run Petition for annexation was received today. The process will be to hire the consultant to review the water available and the needs of the property. We will proceed simulataneously preparing to a mail ballot election that can not be presented until the contract negotiations with Utility Solutions is completed.
- b. The Flikkema petition for annexation was received last week. The same process will be used for Flikkema as is set out in Black Bull Run.
- c. APK- Petition. See discussion above.
- d. Update on Litigation involving District.

In Lohmeier v. District, there is no ruling yet on Utility Solutions' motion to intervene. Judge Swandal accepted jurisdiction over the case.

Faust et al. v. Utility Solutions and District. Judge Swandal accepted jurisdiction over the case. The Court granted the District's request for protective order. The District does not have to provide the information sought in the subpoena duces tecum at this time. Faust submitted a response to the District's and Utility Solutions' Motions to Dismiss. The District's Reply is due October 18, 2006.

- e. First Reading of an Ordinance Amending the District's Rules and Regulations to allow 35 gpm, temporary wells. Susan introduced the ordinance based upon Resolution 2006-03 passed at the last meeting. The Board discussed the need for the Ordinance and delayed any decision on irrigation wells until a later date. John Hulme drafted an application form and has received two applications. Susan explained that the Board cannot act on any application until 30 days after the 2nd reading.

Ben read the proposed Section 2-7(1) allowing temporary exempt wells. The Board had no comments or changes to the language. 1st reading completed. The 2nd reading will be at the November 2006 regular meeting.

- f. Consideration of Memorandum of Agreement with Utility Solutions to provide water for the District's petitioned annexed areas Black Bull Run, Flikkema and Gallatin Heights.

Susan informed the Board that we don't have draft agreements yet. Susan asked that the Board to appoint a committee to negotiate the terms of the agreements, which might be different for each property seeking annexation. Richard pointed out that the Ad hoc finance Committee of Richard, Ben and Chris Nelson was created for such a purpose. The Board consensus was to

move forward with the Ad hoc Finance Committee negotiating the terms and presenting their recommendations to the Board at a meeting.

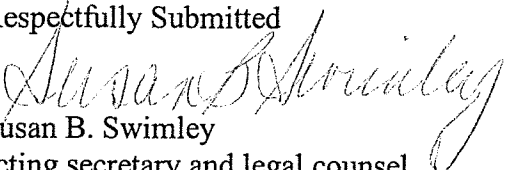
5. Public Participation:

Jimmy Lohmeier asked if the Board had knowledge of a new water district coming soon in Four Corners. The Board responded that if there was they would like to hear about it. Mr. Lohmeier informed the Board that the name of the previous consulting firm was _____.

6. Board Issues: None.

7. Adjourn Meeting Meeting adjourned at 7:16 p.m.

Respectfully Submitted


Susan B. Swimley
acting secretary and legal counsel