

FOUR CORNERS COUNTY WATER AND SEWER DISTRICT MINUTES
Board Meeting April 4, 2007

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

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

Also present: Susan Swimley, attorney for the District, Wendy Heibert, District bookkeeper

Public: Kris Vandersloot, Horus Brailsford, Ryan Rittal and Kurt Thomson of Engineering Inc. and John Jetter.

2. Approval of Minutes: Richard moved approval of minutes from the March 7, 2007. Mike seconded the motion. Motion passed unanimously.

During the minutes discussion the Board reviewed the financial statements provided by Wendy. Wendy presented the chart of accounts, profit and loss for 2006 and profit and loss 2007 for January and February. The Board discussed establishing policies for collection and distribution of funds. Wendy suggested and the Board concurred that the policies should include the comments from the auditor.

Kris Vandersloot presented the Board with the April 3, 2007, invoice for Service Area 1 water and sewer district accounts. The invoice amount presented is equal to the amount of payments received from billing. Richard moved approval of payment of the April 3, 2007 Invoice. Ben seconded the Motion. Motion passed unanimously.

The Board will decide on a policy and procedure for payment of such invoices after consultation with the auditor. It is the Board's intent to adopt a policy for payment upon presentation. Wendy informed the Board that they would need to review and consider for approval financial statements at each meeting.

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.
 - b. No report.

- c. Annual Report – The auditor shall be at next month’s meeting.
- d. Petitions for Annexation:
 - a. Gallatin Heights
 - b. APK (Buckland Siding)
 - c. Black Bull Run
 - d. Middle Creek Parklands (Flikkema)

The engineering report is not complete but is expected shortly. If it is received prior to the next meeting the Board will set a special meeting to review, consider and possibly accept the report

- e. Litigation Update: (Susan Swimley presented)

Faust and McManus v. Four Corners County Water and Sewer District and Utility Solutions, The appeal in the Montana Supreme Court is proceeding. US filed a Motion to Dismiss. The District will concur with the Motion. No new information.

The Court ordered Lohmeier reimburse the District’s attorney’s fees in Lohmeier v. Four Corners County Water and Sewer District. The attorney’s fees are approximately \$10,000.00. The information will be submitted to the Court. Lohmeier can object and asked for a hearing on this matter.

Lohmeier submitted discovery to the District. The District will ask Lohmeier to withdraw the discovery.

Lohmeier v. DNRC. Susan informed the Board of the recent decision of Judge McCarter and the possible ramification for the District. As part of this presentation the Board discussed HB831.

- f. Engineering review of US (service areas and annexations) - see information above.

4. New Business

- a. Consideration of Rate Resolution. This matter shall be continued on the agenda and US will present a suggested rate structure.
- b. Richard moved to hire Tara Hastie as the secretary for the District. Mike seconded the motion. The Board unanimously approve the motion and will pay \$25/ per hour for her secretarial services.

e. Other matters to be placed on future agendas

Richard suggested we include a consideration of financial reports on each agenda. stated that it is time to hire a secretary for the Board. The board concurred.

Don raised the issue of insurance of the Board. Don will obtain a proposal and present it to the Board.

5. Public Participation:

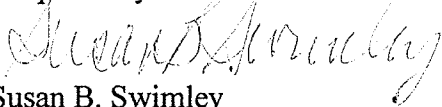
The Board considered the public presentation of Horus Braisford, Ryan Rittal and Kurt Thomson about Horus' property. This presentation was taken out of agenda order. The basic question that was posed to the Board was whether or not the District would allow the property to hook to the sewer system and not the water system. The reason Horus sought the Board's input is because he currently has 4 exempt wells on the property. The Board invited Horus to seek a will serve letter from Utility Solutions and then come back to the Board. The Board indicated they would be receptive to allowing sewer only based upon these specific circumstances.

John Jetter discussed with the Board the basis for Utility Solutions charge of \$47.50 per unit per month for the development he is in. He questioned whether or not the property was in the District. The Board thought the property (Lobben) was in the District but it did not show on the map. The Board will do further investigation.

6. Board Issues: Ben asked about the rates and taxes contemplated for Service Area 3- south of Norris Road. The ad hoc finance committee and Board will discuss and decide that during the amendment to the contract negotiations.

7. Adjourn Meeting Meeting adjourned at 8:10 p.m.

Respectfully Submitted


Susan B. Swimley
acting secretary and legal counsel