

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES  
November 7, 2007

1. Call to Order

There being a quorum present, President John Hulme called the meeting to order at 6:30 p.m. in the library of the Monforton Elementary School, 6001 Monforton School Road, Bozeman, Montana.

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

Also present: Wendy Heibert - bookkeeper for District, Susan Swimley - Attorney for District and acting Secretary, Ron Edwards- consultant

Public: members of the public present are shown on the public sign in sheet.

2. Approval of Minutes for October 3, 2007 meeting.

**MOTION:** Vice President Pearson moved and John Hulme seconded, to approve the minutes of October 3, 2007. The motion carried 4-0.

3. Consideration of Financial Reports

a. Update on financial policies.

No report as ad hoc finance committee needs to meet and make suggestions.

b. Update on Ordinance for Levying Taxes in District as approved.

Mrs. Swimley explained generally the issue raised by Zoot and that was raised to the Board in July or August of 2007 with regard to taxing the different services areas and how those taxes might be assessed under the various statutory provisions. Ms. Campbell offered her opinion with regard to the current assessment based upon her knowledge of other Districts. Mrs. Swimley asked to defer the rest of the discussion about boundaries until Mr. Edwards arrived.

c. Update on Policy for Meters on Lots in the District as approved.

1. Approval of revised Ordinance for Metering of Lots within the District

Ms. Swimley stated she did not yet have a completed draft on the policy for meters on lots in the District. Item 3c and Item 3c1 were continued to the next District meeting.

d. Approval of Financial Reports.

Ms. Heibert presented reconciled account information to the Board, which

included Profit and Loss Budget v. Actual – July through September, Balance Sheet as of September 30, 2007 and Check Register Detail October 2007.

**MOTION:** Mr. Smith moved, Mr. Zavora seconded, to accept the financial reports as presented. Motion passed unanimously.

4. Old Business

a. Litigation Update

No new report.

b. Update to petitions for Annexation:

i. Land Equity Partners (Gallatin Heights)

No new report or update of the hearing before the Commission for permit approval from October. Mrs. Swimley informed the Board we have not heard from this potential annexation for quite some time. Item 4bi was continued to the next District meeting.

ii. APK (Buckland Siding)

This property has its permit. Mrs. Swimley informed the Board we have not heard from this potential annexation for quite some time. Item 4bii was continued to the next District meeting.

iii. Tony Kolnik petition for annexation in Service Area 3

Mr. Kolnik explained that he was confused by the email he received from Mrs. Swimley and that he has some neighbors who might want to hook up as well but he needs additional information, such as a District map of the Rainbow Subdivision lots and other public information on annexations in Service Area 3 (south of Norris and west of 191). Mr. Hulme explained the annexation process. Mr. Kolnik wanted what the District's contract is with Utility Solutions and would like his questions answered so he can evaluate whether or not he wants to apply for annexation. Mr. Kolnik additionally wants to know if he has a way to back out if he applies for annexation and then changes his mind during or after the process. Mr. Smith explained that the properties annexing would have to extend the lines for water and sewer at their own cost. Mr. Hulme asked Mr. Kolnik to put his questions in writing and the District will do its best to answer the questions.

c. Update on mail ballot election on December 11, 2007 and mailed notice of

election to annex Black Bull and Middle Creek Parklands

Ms. Swimley explained that she failed to transmit all of the necessary information to the Election department of the Clerk and Recorder's office on time, so the election is delayed until January 22, 2008. Mr. Smith asked about the consequences of the delay. Ms. Swimley explained that it is not holding up the subdivision but that it will mean that, if the election supports annexation, these properties would not be added to the District tax rolls until 2009.

d. Presentation of draft privacy policy for District consumers

Ms. Swimley stated she had not completed the draft privacy policy for District consumers. Item 4d was continued to the Next District meeting.

e. Amendment to Rules and Regulations (rates and charges), Utility Solution contract for various service areas, report of ad hoc financial committee

1. Contract negotiations for modification of US Contract for additional service areas and proposed annexation of property
2. Contract discussion and negotiation, possible modification regarding lots in Gallactic Park

The Board discussed the 2007 tax levy amount and the effect of increasing the size of the District, which should reduce the costs to all of the District consumers as it spreads the fixed costs. The contract for Area 3 could have some reduction effect on Area 2 (North of Norris and West of 191). Ms. Campbell asked who questions about these tax levy amount and rational. should be referred to for answers. The Board directed that questions should go to Susan Swimley, Ron Edwards or Ben Zavora.

f. Short-term service contract for sewer service only for Monforton School, Taco Time, and Garden Center for approval

Mr. Hume suggested that the discussion should be segregated between the school and commercial property. Mr. Zavora asked why these properties don't just annex. Barb Campbell stated that Taco Time and school are request for sewer only. The school has a viable sewer system with an estimated life of at least 15 to 20 years. The businesses already exist and Ms. Campbell suggested the District might want to review its water and sewer policy to see if there is room for allowing sewer only for existing structures and requiring water and sewer for new construction. Additionally, if the District requires both services, then these properties must pay for the infrastructure that they are not in need of at this time.

**MOTION:** Mr. Smith moved, Vice President Pearson seconded, to grant short term, which shall be 12 months, out of District service to properties not identified as Tier one annexation properties and further require of these out of District properties receiving service to annex when the infrastructure is extended to the property. Motion passed unanimously.

The Board recognized that the Motion as passed would not include the Garden Center, as it is believed to be a Tier One property. The discussion of reviewing and considering a water only or sewer only policy for existing structures would apply here.

Ron Edwards reminded the Board they need to have an engineering letter indicating there is capacity to serve the properties subject to the new policy. Additionally, Ron advised that the District needs the legal descriptions, square footage of the lots/ parcels and DEQ approvals for the lots.

- g. Approval of Amendment to Rules and Regulations with regard to separation of landscape irrigation meter wells and curb stops in Service Area 2
  - 1. Explanation of proposed meter pits (Mr. Zavora to address)

Item 4g and Item 4g1 were continued to the next meeting of the District.

5. New Business

- a. Other matters to be placed on Future agendas
  - 1. Engineering, Inc. Representative for presentation of a proposal for annexation of northeast corner of the intersection of Jackrabbit Lane and Huffine Lane (Korner Klub) and service to that quadrant.

Kurt Thomson and Ryan Rittal presented the attached area map depicted the area to be considered for annexation and discussion of a service plan. There are approximately 30% undeveloped lots and a rough estimate to construction the infrastructure is \$1.5 million or \$2 million. The value to the properties would be in increased use of land area as the need to set aside well separation, septic field and replacement field is eliminated. A public system would add needed pressure for fire suppression, which include sprinklers.

Mr. Smith wanted to review the actual number of developed and undeveloped lots as well as the covenants. Ms. Campbell explained that first off there needs to be a community meeting to explain the pros and cons of constructing such a system and then obtain community feedback

on the concept.

**MOTION:** Mr. Smith moved, Mr. Zavora seconded, supporting a mutual investigation of the viability for the District to consider undertaking the bonding and construction of a water and sewer infrastructure connection for the area of northeast corner of the intersection of Jackrabbit Land and Huffine Lane (Korner Klub). Motion passed unanimously.

c. Consideration of a Resolution clarifying annexations.

Ron Edwards presented the work completed to review the property boundaries of the District, which included the legal description of the District passed by the County Commission, the Department of Revenue information and Resolution 2005-2, which annexed additional properties. Mr. Edwards explained the discrepancies of the boundary between the District current mapping and the Department of Revenue mapping. He further explained some of the difficulties of the legal descriptions attached to Resolution 2005-2, Annexing certain properties.

The Board informed Mr. Edwards that certain properties were never included in the original boundary and clarified the properties that were annexed by Resolution 2005-2. Ms. Campbell pointed out the area of the utility lots within the boundary south of Norris Road and West of 191 (Service Area 3), which cannot be developed. Mr. Smith explained about the significant flood plain area that precludes development of the Brelsford property.

Mr. Edwards informed the Board that he and Ms. Swimley had prepared a draft Resolution clarifying the issues that they were aware of prior to the meeting. However, with this additional information that Resolution will require amendment prior to consideration of the Board.

d. Ms. Swimley informed the Board that the election of officers needs to take place next month.

6. Public Participation on Non-Agenda Items: The opportunity for members of the public to comment on District matters which are not on the agenda. Time limits may be imposed at the discretion of the President.

Ms. Swimley informed the Board that Ms. Hastie, the regular secretary, was in a car accident at 5:00 p.m. and that is the reason that she was unable to attend. Mr. Hulme added that Tara called him as well and she was OK but her vehicle was not.

There was no further public comment forthcoming at this time.

7. Board Member Issues

This is John Hulme's last meeting. We thank John for his years of service and will miss his institutional knowledge of events.

Mike Pearson, as Vice President, will run the next meeting.

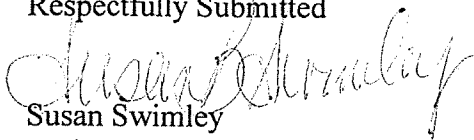
Ms. Swimley explained that because no one ran for election, the Board must now fill John's vacant position. Ms. Swimley will research whether that is for the full term or until the next election, which is scheduled for 2 years.

There were no further Board Member Issues at this time.

8. Adjourn Meeting

There being no further business before the Board, the Four Corners Water/Sewer District meeting of October 3, 2007 was adjourned.

Respectfully Submitted



Susan Swimley  
Acting Recording Secretary