

**FOUR CORNERS COUNTY WATER AND SEWER DISTRICT
MINUTES FOR
May 13, 2003 Board Meeting**

Meeting was held at the Kountry Korner Café at Four Corners. Present at the meeting were board members: Chris Nelson, John Hulme and Trina Kallenbach. Attorney John Brown was also present.

Meeting was called to order at 12:05 p.m. by John Brown, candidate legal counsel for the District. Mr. Brown presented a summary of the legal issues settled and pending to the Board and the public in attendance. Mr. Brown has been acting legal counsel for the proposed District for about a year and will present a proposal and accumulated hours of work to the Board at our next meeting.

Trina Kallenbach was designated acting secretary for today's meeting.

Election of President, appointment of acting Secretary, approval of attorney for District, and terms of the directors – as appointed agenda items were all tabled until the Board's next meeting.

Next meeting date and time was set for June 3, 2003 at 12:00 noon at the Kountry Korner Café.

Motion 1: Trina Kallenbach moved to waive compensation of board members. Second by John Hulme. Motion passed on a unanimous vote.

John Brown explained the status of the pending litigation.

- Cause No. DV-03-38 (Gallatin County): The Plaintiffs filed this action in Gallatin County to prevent the creation of the District. The Defendants are Gallatin County and the Gallatin County Election Administrator. After a hearing held on April 10, 2003, Judge Salvagni, on April 15, 2003, denied the Plaintiffs' request for a preliminary injunction to stop the election process which would create the District. Plaintiffs then requested an injunction to stop the election process while they appealed Judge Salvagni's April 15th decision. Plaintiffs filed their notice of appeal on April 15, 2003. Judge Salvagni stayed all further litigation in this action until the appeal has been decided. Gallatin County completed the election and the ballot measure to create the District and to allow it to incur debt passed.
- Cause No. DV-2003-252 (Lewis and Clark County): After losing their injunction request in Gallatin County, the Plaintiffs filed their second action, an action against the Montana Secretary of State seeking a Writ of Prohibition to block the Secretary's issuance of a Certificate of Incorporation for the District. Gallatin County moved to intervene. Mr. Brown, representing the District, moved for leave for the District to intervene. An emergency

hearing was scheduled for May 12 but was later continued by the Plaintiffs after the Montana Secretary of State issued the Certificate of Incorporation on May 9, 2003. Upon issuance of the Certificate, the District was formally created. If the Court grants the Motion to Intervene, Mr. Brown will file a brief opposing the Plaintiffs' request for a Writ of Prohibition to block the incorporation of the District, even though the Writ and the entire action may now be moot.

Motion 2: Chris Nelson moved to approve Mr. Brown's request that the District move to intervene in Cause No. DV-2003-252 filed by the plaintiffs in Lewis and Clark County. Second John Hulme. Motion passed by unanimous vote.

Mr. Brown suggested that the Board consider adopting some fee to cover immediate district expenses. Directors agreed to consider this.

Public Comment

Lonnie Walker

81555 Gallatin Road, Bozeman

- Asked what the process is to annex into the District
- John Brown is going to send statute on process

George Metcalfe

11 Chinook Trail, Middle Creek Subdivision, Bozeman

- Mr. Metcalfe commented on pending litigation and offered a verbal settlement arrangement. Mr. Metcalfe also stated that if the Board did not accept his arrangement many law suits will be filed to stop all sewer and water development as well as final plat. Chris Nelson asked that the arrangement be put in writing for the Board to consider.

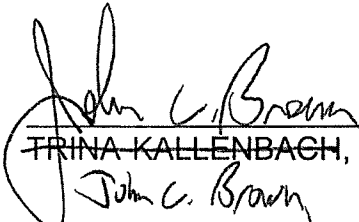
(End of Public Comment)

John Brown to complete agenda for the June 3, 2003 meeting.

Motion 3: Chris Nelson motioned to adjourn. Second Trina Kallenbach, vote unanimous.

Meeting adjourned 1:10 p.m.

DATED June 3, 2003.



TRINA KALLENBACH, Acting Secretary
John C. Brown