

**FOUR CORNERS COUNTY WATER AND SEWER DISTRICT
MINUTES FOR
July 15, 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 all five (5) board members: Chris Nelson, John Hulme, Trina Kallenbach, Dennis Simpson, and Duane Sands. The five board members present constituted a quorum. Members of the public were also present.

Meeting was called to order by President Chris Nelson at approximately 5:20 p.m.

By unanimous vote the Board approved the minutes for the June 30, 2003 Board Meeting.

Public input was heard on non-agenda items. Members of the public who spoke included Mr. George Metcalfe, Mr. Lonnie Walker, and Mr. Jimmy Lohmeier. Ms. Barb Campbell read a statement regarding her purchase of the Elk Grove sewer treatment facility. (See attached.)

As part of the old business portion of the Agenda, Mr. Brown reported on the status of the ongoing litigation concerning the existence of the District. Mr. Brown had no new information to report. Mr. Brown also reported on his conversation with Holly Brown, Attorney for the County, regarding Ms. Campbell's meeting with the Commissioners concerning her purchase of the Elk Grove facilities. As for ownership of the Morrison Maierle plans, Mr. Brown apologized for forgetting to contact Marty Gagnon regarding the status of the plan.

Mr. Brown next gave a general explanation of the District's statutory power to generate revenue. The Board asked Mr. Brown to provide it with information concerning the amount of fees and charges being charged by other water and sewer districts within the area. Given that the District still has no cash revenue to hire a consultant to review Mr. Dunlap's water treatment facility proposal, it was tabled for a future meeting.

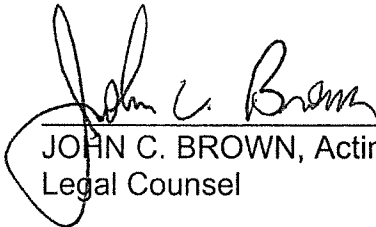
After hearing Mr. Brown's legal analysis of the Memorandum of Understanding in light of Lonnie Walker's written request that his property be annexed in to the District, the Board by unanimous vote adopted the Memorandum of Understanding as policy for the District to the extent that the Memorandum of Understanding is consistent with Montana Law and may be enforced or implemented by the District without violating Montana Law.

The Board discussed the future of the District including the possibility of formal dissolution of the District. The Board directed Mr. Brown to investigate the statutory procedure for the dissolution of the District.

The Board decided that its next Board meeting would be held at 5:00 p.m. at Zoot on August 4, 2003. Mr. Brown was instructed to prepare an Agenda for the meeting.

The meeting was then adjourned at approximately 6:25 p.m.

DATED July 15, 2003.



JOHN C. BROWN, Acting Secretary and
Legal Counsel