

FOUR CORNERS COUNTY WATER AND SEWER DISTRICT MINUTES
Board Meeting March 7, 2007

1. Call to Order: A quorum being present, the meeting was called to order at 6:30 p.m. in the library of the Monforton Elementary School, 6001 Monforton School Road, Bozeman, Montana

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

Also present: Susan Swimley, attorney for the District, Ron Edwards, District Consultant

Public: John Close, Barb Campbell, Karen Phillips

2. Approval of Minutes: Mike moved approval of minutes from the February 7, 2007. John 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.

Barb Campbell discussed with the Board the concept of addressing the Rules and Regs for the Service Area 3 (south of Norris) by amending Section 9 of the rules and Regs to include the rates and charges for the area. The Board discussed various ways to assess the land such as rates with an upcharge, tax assessment or some combination.

The Board discussed that there would need to be a modification to the contract addressing irrigation wells. The first step is to establish the accurate boundary in order to make certain only the land in the district is charged.

The Board, Barb Campbell and Ron Edwards discussed the process for monthly billing and charges in order for all to understand the process.

Ron presented his reconciliation report for the taxes collected. It is attached to the minutes.

- b. Annual Report – no update.

- c. Petitions for Annexation:

- a. Gallatin Heights
- b. APK (Buckland Siding)

- c. Black Bull Run
- d. Middle Creek Parklands (Flikkema)

The engineering report should be completed prior to the next meeting. The Board wants to proceed with annexation as soon as the report is received.

- 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. Responsive pleadings will be filed.

The District is seeking reimbursement of its attorney's fees in Lohmeier v. Four Corners County Water and Sewer District. Lohmeier has objected and asked for a hearing on this matter. The hearing is at the end of March. The counterclaims have been certified to the Supreme Court under a Writ of Supervisory control and there is argument about not providing discovery.

- e. Engineering review of US (service areas and annexations) / HDR (Ron Edwards presented)

Report should be available for the April meeting.

f. Discussion of allowing irrigation wells within District (Area 2). The board discussed the possibility of allowing exempt wells for irrigation in Block 2 (large commercial lots). US stated that it is willing to discuss the idea. However, it is not an advocate of exempt wells and needs to ensure there would be no effect on the large wells. Additionally, US needs to ensure that the projected revenue requirements are met. If the wells were considered, the monthly rates would need to be amended. Ron suggested some time of seasonal charges to address the rates, with or without allowing exempt wells. Ben suggested the Board investigate a process to apply for exempt wells as he feels this will become an issue with the lot owners. For now the Board tabled the discussion and removed the item from the agenda.

g. Amendment to Bylaws to add treasurer position: Susan handed out a definition of treasurer and explained the process by which the bylaws may be amended. Richard explained why he believes it is important to establish a treasurer position. John moved to amend the bylaws to add the position of treasurer with the definition provided. Mike seconded the Motion. Motion passed 4 – 0.

h. Election of officers. Richard nominated the following slate of officers to serve until November of 2007:

President:	John Hulme
Vice President:	Mike Pearson
Treasurer:	Richard Smith

Ben seconded the nominations. The board unanimously approved the slate of officers.

4. New Business

a. Consideration of Rate Resolution. This matter shall be continued on the agenda and US will present a suggested rate structure.

e. Other matters to be placed on future agendas

1. Richard stated that it is time to hire a secretary for the Board. The board concurred.

5. Public Participation:

Karen Phillips came to discuss her questions and concerns over her tax bill. Ron addressed many of Karen's questions. He explained that there are 2 components to the bill. 1st is the obligation to US under the contract for service and the 2nd is the board operating budget. John Hulme explained that the taxes cover the water/sewer that are readily available. That availability is only there because of the contract with US. Ron will follow up with providing Karen the spread sheets showing the assessments on the parcels.

6. Board Issues: none

7. Adjourn Meeting Meeting adjourned at 7:57 p.m.

Respectfully Submitted



Susan B. Swimley
acting secretary and legal counsel