

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES
July 5, 2007

1. Call to Order

There being a quorum present, President John Hulme called the meeting to order at 6:35 p.m. in the library of the Monforton Elementary School, 6001 Monforton School Road, Bozeman, Montana.

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

Also present: Wendy Heibert, bookkeeper for District

Public: John Close, Jim Ryffel, Bill Heber

2. Approval of Minutes for June 6, 2007 meeting.

MOTION: President Hulme moved, Mr. Pearson seconded, to approve the minutes of June 6, 2007 as presented. The motion carried 3-0 with Treasurer Smith abstaining.

3. Consideration of Financial Reports
a. update on financial policies.

Treasurer Smith stated he had received the proposed financial reports and had decided that there would need to be more work done before taxes were levied on members of the District. He suggested continuing the item until Ms. Swimley had time to investigate the matter further. Ms. Heibert added that a sub-meeting could be held to resolve the idiosyncrasies of the proposed tax levy. Treasurer Smith stated Ms. Heibert and Ms. Swimley would need to have a meeting to establish the proposed tax levy. Item 3a was continued to the next District meeting.

b. proposed Policy for Levying Taxes in the District for approval.

Item 3b was continued to the next District meeting.

c. proposed Policy for Meters on Lots in the District for approval.

Treasurer Smith stated he had met with Utility Solutions and they had concluded that the District would be more interested in metering the individual structures. Mr. Zavora suggested that the person applying for services should have a choice with regard to metering; adding that there might be difficulties in collecting funds from the Homeowners Associations. Treasurer Smith responded the curb stops had been sized to provide for a projected demand for service; adding that one lot could have eight meters. Mr. Close added that commercial lots would have to be worked out with regard to the meters, but residential lots could have the meters in the crawl spaces. Ms. Heibert stated

the proposed policy came from the Big Sky Water/Sewer District; adding that the clause at the end would provide a “way out” for the owner. Treasurer Smith asked if one curb stop would mean one meter. Mr. Close reiterated Mr. Edwards’ suggestion that each 4-plex have one meter. President Smith voiced concern with regard to entering the property if the service needed shut off. Mr. Pearson added that there would be some situations where shutting off one unit’s water would cause other units to lose service as well. He added that it would not be expensive to provide enough curb stops. Mr. Close added that the issue would become who would be responsible for paying for and maintaining the curb stops. Mr. Zavora suggested that the District would have a better legal standing if there were individual curb stops. Treasurer Smith responded that Ms. Swimley would need to draft a policy differentiating between residential and commercial development with regard to the number of meters on the lots. President Hulme suggested individual curb stops would be a more responsible decision for the future of the District; adding that the fifth curb stop provided would be for irrigation purposes and the responsibility of the Homeowners Association. Mr. Close suggested the residential lots could be taxed at 1 or 1 ½ E.D.U.’s and the commercial lots could be taxed whatever amount was left over after the residential lots had been tallied. Treasurer Smith asked who could meet with Mr. Close, Mr. Edwards, and Ms. Swimley to discuss that action. Mr. Zavora volunteered. Item 3c was continued to the next District meeting.

- d. proposed Budget for Fiscal Year 2007-2008 for approval.

President Hulme asked if the up-charge amount had been decided. Treasurer Smith responded that the budget had been developed last year; adding that the percentage of increase had been placed on everyone’s bill last year to provide money for the District. President Hulme, Treasurer Smith, and Mr. Zavora requested that Ms. Heibert fax them the proposed budget for next year. Ms. Heibert agreed. Item 3d was continued to the next District meeting.

- e. auditor Recommendations for review and approval by the Board

Bill Heber with Holmes and Turner stated the year end was approaching and suggested the District forego the review and move directly to the audit to avoid accruing unnecessary fees. He stated he would provide an engagement letter as the audit would be more involved than a review. Treasurer Smith added that an audit was needed to comply with state regulations for the legal formation and operation of the District. Mr. Heber stated that submit an engagement letter to the District before the next regularly scheduled meeting. Item 3e was continued to the next District meeting.

- f. approval of Financial Reports

MOTION: Treasurer Smith moved, Mr. Pearson seconded, to approve the monthly Financial Reports. The motion carried 4-0.

4. Old Business

- a. Update to petitions for Annexation:
 - i. Gallatin Heights

- ii. APK (Buckland Siding)
- iii. Black Bull Run
- iv. Middle Creek Parklands (Flikkema)

Item 4a was continued to the next District meeting as there were no updates.

- b. Litigation Update

The Board presented an e-mail from Ms. Swimley (attached) that outlined the litigation updates. Item 4b was continued to the next District meeting.

- c. Discussion, consideration and possible action on insurance for the Board

Treasurer Smith stated he had received a proposal from the Central Insurance Company and had briefly looked over the documentation. He suggested the other Board members review the proposed premium of \$1,240.00 per year. President Hulme suggested that Mr. McHenry should review the proposal. Treasurer Smith responded that he had spoken with Mr. McHenry and he had stated that he was unable to find a better rate for the insurance.

MOTION: Treasurer Smith moved, Mr. Zavora seconded, to accept the proposed insurance policy from Central Insurance. The motion carried 4-0.

- d. Consideration of Horus Brailsford request for sewer only in Service Area 3

This matter had been externally taken care of as Mr. Brailsford had decided he would have both water and sewer service provided. The item is to be removed from future agendas.

- e. Presentation of draft privacy policy for District consumers

Item 4e was continued to the next District meeting.

- f. Amendment to Rules and Regulations (rates and charges), Utility Solution Contract for various service areas, report of ad hoc financial committee
 - a. Contract negotiations for modification of US Contract for additional service areas and proposed annexation of property
 - b. Contract discussion and negotiation, possible modification regarding lots in Gallactic Park

Treasurer Smith stated he had attended working group meetings, but Matt Williams had been unable to attend those meetings to present the draft rules and regulation for rates and charges. Mr. Close responded that rates and charges would be discussed at Utility Solutions with Mr. Williams once the number of E.D.U.'s had been established. Item 4f a & b was continued to the next District meeting.

5. New Business
 - a. Other matters to be placed on Future agendas

Treasurer Smith stated that policies for levies would be an item on New Business and placed on a future agenda when drafts were completed.

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.

There was no public comment forthcoming.

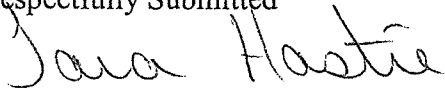
7. Board Member Issues

The Board reviewed, approved, and signed checks that Ms. Heibert presented. Treasurer Smith reiterated that the next District meeting would be held on August 1, 2007.

8. Adjourn Meeting

The Four Corners Water/Sewer District meeting of July 5, 2007 was adjourned at 7:45 p.m.

Respectfully Submitted



Tara L. Hastie
Recording Secretary