

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES
July 7, 2010

1. Call to Order

There being a quorum present, Vice President Flikkema called the meeting to order at 6:35 pm, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Present: Vice President Nancy Flikkema, Treasurer Ed Schmidt, Cory Klumb, and Mike Pearson.

Public: Tara DePuy, Erin McHenry, Marty Gagnon, Ron Edwards and members of the public – refer to sign in.

2. Approval of minutes from May 5, 2010 and June 16, 2010 meetings.

MOTION: Ms. Flikkema made a motion, Mike Pearson seconded, to approve the minutes from the May 5, 2010 and June 16, 2010 meetings. The motion carried 4-0.

3. Consideration of financial reports

a. Approval of financial reports.

The District has more outstanding bills than funds currently. After some discussion the board selected the outstanding bill which should be paid.

MOTION: Treasurer Schmidt made a motion, Mr. Klumb Seconded to pay Morrison-Maierle, Utility Solutions, and Jan K. The motion carried 4-0.

b. Discussion of financial issues

The issue was raised about the discrepancy between what US says the District owes for past service in the second half of 2008 and what the Board feels is owed. Negotiations had been made to pay this at an agreed amount with the purchase of the District. When the purchase was abandoned the amount was still outstanding and the agreed upon amount for pay off was no longer valid. The District has been paying towards the balance owed. Despite the lack of contract the District will also need to start paying for the first half of 2010. The sub-committee reported Barb from Utility Solutions has asked the Board to raise the rates and start repayment immediately. They were under the impression US would carry the debt but now they are only willing to carry some of it and is requesting immediate repayment. If the Board is going to levy a tax to start repayment it would need to be submitted to the County as soon as possible and would require a meeting later to establish the amount. Concerns were raised by the Board about Black Bull since they are in bankruptcy proceedings. Mrs. DePuy advised Black Bull would have to pay eventually if a tax was levied. The Board expressed mixed feelings as the unknown

of the PSC establishing rates as it would decrease the costs of service and we could start repayment of past deficiencies but then we would lose our ability to purchase the system in the future. The Board was also concerned that the numbers provided for past services rendered were not presented with enough justification. The Board concluded there was a need to get going on the deficiency tax.

MOTION: Treasurer Schmidt moved we levy a deficiency tax and have Mrs., Swimmley send notice of intent to levy. Member Klumb seconded the motion. The motion carried 4-0.

4. Business

- a. Update on discussion with US regarding future of District, service and rates.

Continued until July 21, 2010 meeting.

b. Annexation Requests

1. Monforton School

They do not have a will serve letter but should have it soon. They have decided to annex to the District for both water and sewer but would like an exception made for the use of existing wells for irrigation purposes.

MOTION: Treasurer Schmidt moved to change policy to allow irrigation on a case by case basis with written permission of the Board for existing wells. Member Klumb seconded the motion. The motion carried 4-0.

2. Rassmussen

On hold

3. Hokanson

On hold

4. Gallatin County Road Department

On hold

5. Rocky Mountain Bank

On hold

6. Reconsideration- Kurowski

Shaun Becker from Montana Woodworking asked the Board to reconsider denial of water only service. They have a septic system which currently works fine but will have to abandon it if he wants water service. The additional cost is a tremendous burden in the current economy. The Board did not see how this could be considered a unique hardship and therefore would not qualify for an exception.

c. Out of District service contracts

1. Rasmussen
On hold

2. McCartney
On hold

d. Policy issues

1. Out of District hydrants/ water
Draft is on hold

2. Consideration use of wells for irrigation
On hold

3. Consideration of separate rate structure for publicly funded entities
Move to August 4, 2010 meeting

e. Presentation, discussion and approval of 2010-2011 budget
On hold

5. Public Participation

Bill Hangan had some questions about the outstanding amount due from 2008 deficit. He wanted to remind the board the District was going to end up paying for the system regardless so we may as well own it. Mrs. DePuy explained the rates have to be adequate to cover service but we could levy a deficiency tax to cover outstanding debt. The Board then discussed the US proposed rate seeming insufficient to cover the numbers presented. There is still some confusion about the "availability fee" proposed by US. US has expressed interest in receiving payment for the 2008 deficiency but the District won't be able to start paying until the deficiency tax is levied.

6. Board member issues

None.

7. Adjourn Meeting

There being no further business before the Board, the Four Corners Water/Sewer District meeting of July 7, 2010 was adjourned at 9:00 p.m.

Respectfully Submitted,

Erin McHenry, Recording Secretary

