

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES
August 12, 2010

1. Call to Order

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

Present: President Don McHenry, Vice President Nancy Flikkema and Cory Klumb.

Public: Susan Swimley, Erin McHenry, Marty Gagnon, Barb Campbell and members of the public –refer to sign in. Some members of the public refused to sign in but were in attendance.

2. Rate Hearing

The rate hearing was noticed in the Bozeman Chronicle on August 1, 2010 and August 8, 2010. The rate hearing was also noticed to members of the district via mail.

Mr. Gagnon presented the rate structure as proposed by Utility Solutions. The rates presented are based on the EDU method of computation and properties are assigned EDUs based on estimated usage.

The board mentioned the usage would not change regardless of how it is categorized. The rates are established by Utility Solutions. The Board asked for comments from the public.

3. Public Participation

Lee Provans from The Gallatin County Shop: They donated some land to US for the benefit of the District and now they feel they are being unfairly charged as they pay for considerably more than they use due to how they are categorized under the EDU method. Also, what is the status of their annexation?

Marty Balis: He has a commercial condo and the rates have doubled for the past two years and now it is going to happen again. Are there any alternatives?

Bjorn Flatgraf: Could there be a break in June through September to account for the need to irrigate?

Cash Kunder: The rates will affect the look of the entire subdivision in terms of irrigation and some families will be hit especially hard.

Evan Tenant: They are wondering which category they will fit in if they are commercial but the condo has 4 units in 1 building?

Mrs. Swimley and Mr. Gagnon responded to questions thus far. The Gallatin County Shop is currently noncontiguous but will be annexed so they will not have to pay for out of district service any longer. This will not change the EDU allocation of 3.5.

Lee Provans: He does not feel they use 3.5 worth of service.

A response was volunteered by Mrs. Campbell of Utility Solutions. They had to have a methodology for setting rates. A flat rate did not seem equitable as it did not account for the discrepancy in commercial versus residential usage. The EDU method was formulated on a usage based survey. The cases of commercial condos were difficult as some use considerably more than others but some methodology had to be implemented.

Marty Balis: Why are rates increasing?

Mrs. Campbell and the Board summarized. The rates were only intended to be temporary while the district acquired funding to purchase. When this did not happen rates needed to be adjusted to account for operations and maintenance of system. The failure of the purchase also resulted in the deficiency to be levied on upcoming taxes.

Lee Provans: He could not use the amount of water allocated by the 3.5 EDUs.

Mrs. Campbell suggested a possible solution. Some commercial users are given credits if necessary. Possibly using metered data could help.

Bjorn Flatgraf: Were they given a winter rate?

Mrs. Campbell responded they felt the base usage allocated would be sufficient so it was not necessary.

Evan Tennant: They are the only non-medical marijuana business in the complex. Did this effect the classification?

The usage of the individual units was not a factor.

Bjorn Flatgraf: Will rates change over the next 4 years?

The Board responded. The rates could change due to uncontrollable costs such as utilities etc.

Bjorn Flatgraf: Is this just to maintain service? Is the offer to purchase the system no longer available from Utility Solutions?

Mrs. Cambell explained they are no longer pursuing selling the system but it is not out of the picture for the future. The Board explained they had to make a decision on the purchase and with the current number of users it was not possible.

Lynn Scallia: Would Lee at the Gallatin County Shop be classified as a governmental entity? The Board had already discussed making special allowances for governmental entities. She also pointed out there were more users than last year.

The Board agreed this could be the solution for the Gallatin County Shop.

Bjorn Flatgraf: How much water does US provide the district?

Mrs. Campbell guessed around 24 million gallon annually.

Close public comment.

Board member discussion: As there has been no better solution presented the current proposal seems to be the best choice for the members of the district. The need for continued investigation into possible credits in the case of commercial users was discussed.

MOTION: Vice President Flikkema made a motion, Corey Klumb seconded, to adopt the rate structure as proposed. The motion carried 3-0.

4. Board member issues

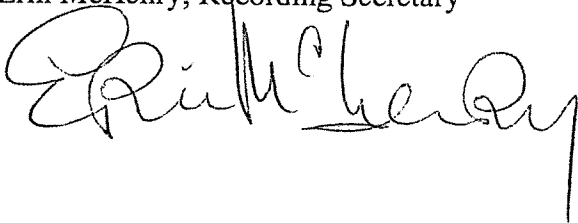
None.

5. Adjourn Meeting

There being no further business before the Board, the Four Corners Water/Sewer District meeting of August 12, 2010 was adjourned at 7:25 p.m.

Respectfully Submitted,

Erin McHenry, Recording Secretary

A handwritten signature in black ink, appearing to read "Erin McHenry". The signature is written in a cursive, flowing style with a long vertical line extending downwards from the end.