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FLATHEAD JOINT BOARD of CONTROL
SPECIAL MEETING MINUTES (Lone Pine Hall)
ST. IGNATIUS, MONTANA
October 23, 2013

PRESENT
Mission: Jerry Laskody, Paul Wadsworth, (Jerry Johnson – Absent)
Jocko: Boone Cole, Roger Christopher (Kerry Doney–Absent)
Flathead: Wayne Blevins, Bryan Bohn, Jim Baker, Shane Orien, Trent Coleman
Member-at-Large: Ted Hein
Consultant: Jon Metropoulos, Bill Slack
Staff: Johanna Clark

Meeting was called to order at 11:03 a.m.

Consulting Attorney Jon Metropoulos made a brief statement to the public in regards to Mission and Jocko Valley Irrigation District(s) vs. Lake County, Montana. The FJBC on behalf of the irrigators would like to file an Intervention so as to be considered a party in the lawsuit begun to stop the requested referendum.

Commissioner Trent Coleman questioned the timeline of the referendum. Consulting Attorney Jon Metropoulos responded that the FJBC resolution was passed to perform a Referendum on behalf of the districts on September 5th, 2013; on September 9th, 2013 Mission and Jocko Valley Irrigation District(s) held a meeting and voted to separate from the FJBC. On September 10th, 2013 the FJBC requested the Lake County Elections Office perform the Referendum. The Lawsuit was filed October 16, 2013. The mail in ballots begun printing yesterday and will be mailed out October 25, 2013. Irrigators may vote until November 19th, 2013.

Update on the suit: There is not an available judge to review the suit, Mission and Jocko Valley Irrigation District(s) vs. Lake County, Montana due to the retirement of the Honorable C.B. McNeil. An Order of Abeyance has been issued until a suitable replacement is appointed. It is unknown at this time what the exact meaning of the Order implies or how it will be perceived by the Lake County Elections office.

Public Comment: Sheila V. questioned whether all three districts (Flathead, Mission and Jocko) will have the ability to participate in the referendum. Chairman Boone Cole responded that all three districts have a vested interest in the referendum and that the commissioners of the Flathead Irrigation District were interested in the current opinions of their own irrigators. Christopher C. questioned whether the Order of Abeyance would require the referendum to halt until a decision was made by the new district judge for Lake County. Consulting Attorney Jon Metropoulos responded that he would need to contact Kathy Newgard at the Lake County Elections office for further specifics, but that he did believe that the Order would slow the Referendum process down. Trudy S. questioned as to why the FJBC was not a listed party and that since they were not a listed party in the suit, the referendum should continue to move forward. Consulting Attorney Jon Metropoulos responded that the order can be read at least two different ways. It is unknown the specific meaning behind the Order. Gene E. questioned the commissioners, who were the individual(s) responsible for taking the individual irrigator's voting right away in regards to the Referendum. Consulting Attorney Jon Metropoulos responded that the majority of the commissioners of the Mission and Jocko Valley Irrigation District(s) were the main factor in the public's inability to participate in the Referendum.

Chairman Boone Cole called for a motion to approve filing the required documents with Lake County District Court on behalf of the FJBC to Intervene on Mission and Jocko Valley Irrigation District(s) vs. Lake County, Montana.

Commissioner Wayne Blevins moved to authorize the Intervention, Commissioner Shane Orien 2nd, Motion carried (7 – 2, 1 abstain)

Roll Call Vote:

- Roger Christopher – Nay
- Paul Wadsworth – Nay

- Ted Hein – Yay
- Jim Baker – Yay
- Boone Cole – Yay
- Wayne Blevins – Yay
- Trent Coleman – Abstain
- Shane Orien – Yay
- Bryan Bohn – Yay
- Jerry Laskody – Yay

Discussion on arrears of Jocko Valley Irrigation District accounts: Consulting Attorney Jon Metropoulos explained that he was not aware of the specifics but that he encouraged the board members to find a resolution prior to the December 12, 2013 separation date. Consultant Bill Slack made a statement in regards to the assessments received from each district, deposited into the FJBC general account and the changes that may be required to adhere to the yearly district(s) and FJBC budget(s). Chairman Boone Cole formed a committee of himself and Commissioner Wayne Blevins to gather additional information on this matter. Commissioner Paul Wadsworth questioned why the yearly audit did not catch the recent errors. Executive Assistant Johanna Clark explained that the Jocko Valley Irrigation District income levels due to not signal the same quality of audit as the larger districts. Denning, Doney and Associates is looking into assisting the FJBC with a solution. Commissioner Jerry Laskody commented that any debt owed to the FJBC should be repaid prior to the separation date. Commissioner Shane Orien questioned whether there was any records regarding the separate transfers from the O & M Accounts. Executive Assistant Johanna Clark responded that there were no records located at this time. Commissioner Roger Christopher wanted it on the records that this was not an issue of embezzlement, only an issue of access and repayment to specific accounts. Chairman Boone Cole responded that he did not believe there to be any malicious actions by any previous commissioners and that the purpose of the investigation is only to gather the specifics to aid in finding a resolution acceptable by all parties. Consulting Attorney Jon Metropoulos stated that even though there is sharp disagreement between commissioners, no one is accusing the Jocko Valley Irrigation District of misappropriation of funds.

Public Comment: Christopher C. commented that the Mission and Jocko Valley Irrigation Districts recent actions did not prove them to be operating under good faith and should be held firmly responsible for their actions and responsibilities. Public questioned the existence of a legal opinion dated 2007-2008 allowing the commissioners to transfer money from the separate accounts. Consulting Attorney Jon Metropoulos responded that he did not recall such an opinion but that he would look into it further. Sheila V. questioned the purpose of each account and who was authorized to transfer funds between accounts, expressing concern on future transactions. Chairman Boone Cole stated that the purpose of the investigation was to achieve procedures for future issues and to resolve the current issues. Dean B. urged the board to hold all parties accountable if the facts proved misappropriation. Commissioner Jerry Laskody expressed the need to edit the By-Laws and institute operational controls. These issues allow us to see what areas are in need of change. Terry B. questioned the election of a treasure for each of the districts. Chairman Boone Cole stated that Executive Assistant Johanna Clark's responsibilities included the finances of each district as well as the required record keeping. Public questioned the availability of a check register for each account. David P. made a brief statement in support of editing the by-laws and the usefulness of the Referendum. Christopher C. made a statement in support of the referendum. Gene E. read excerpts from official documents in regards to water rights and communicated his availability to assist the FJBC with additional research as needed. Commissioner Trent Coleman questioned the wording of the Referendum, stating concern with the (3) three main discussion issues being placed on the Referendum and the public not agreeing with the concerns of the FJBC. Consulting Attorney Jon Metropoulos responded that the public could disagree with the (3) topics of concern and still vote to retain the FJBC as it is formed currently, or vote their opinion to allow the FJBC to disband. Commissioner Trent Coleman questioned the availability of the wordage contained in the Referendum and if such wordage had been provided to the public for review. Consulting Attorney Jon Metropoulos responded that he was not aware of the exact wordage of the Referendum but that a copy could be obtained from the Lake County Elections office. Public questioned if the wordage was complicated so that it could hold a double meaning and confuse the public. Commissioner Jerry Laskody responded that the wordage in his opinion seemed very clear with no ~~underlining~~ underlying meaning. Christopher C. stated his agreement with Commissioner Trent Coleman that the Referendum wordage could have been edited further.

Meeting was adjourned at 12:05 p.m.

Approved_____2013

D. Boone Cole, Chairman:_____

Jim Baker, Secretary:_____