

**FOUR CORNERS COUNTY WATER AND SEWER DISTRICT
MINUTES FOR
May 24, 2005 Board Meeting**

Meeting was held at the Cafeteria at the Zoot Enterprises Building located at Four Corners at 555 Zoot Enterprises Lane. Present at the Board meeting were Board members: Chris Nelson, John Hulme, Dennis Simpson and Trina Wolf. The four board members present constituted a quorum. Members of the public were also present along with District counsel and acting Secretary, John C .Brown.

The Meeting was called to order by Chairman John Hulme at approximately 6:08 p.m.

Upon a unanimous vote the Board then approved the minutes for the February 9, 2005 Board Meeting.

The four Board members present then each described for the record any potential conflicts they might have with Utility Solutions, LLC, Valkeryie, LLC, or Barb Campbell. Written statements were also presented by Directors Nelson, Hulme and Wolf.

The Board then approved by unanimous vote Resolution 05-01 adding the following Paragraph 2 to Article VII of the District's Bylaws regarding Director and employee indemnification:

2. The indemnification provided by this Bylaw shall include indemnification for damages awarded against a director in his or her individual capacity as well as indemnification for attorney's fees and costs incurred by a director in his or her individual capacity.

The Board then approved by unanimous vote Ordinance 05-01 regarding District Rules and Regulations.

The Board then approved by unanimous vote the Utility Solutions Water Supply and Wastewater Treatment Services Agreement with accompanying Co-Tenancy Agreement and Management Agreement.

Moving on to new business, Mr. Brown informed the Board that the District will be receiving a Petition to exclude the Garden Center Subdivision from the District. Mr. Brown anticipated that the Petition would be received prior to the next Board meeting. Once the Petition is received by the Board, the Board will be required by statute to schedule a public hearing before voting to approve or disapprove the Petition.

The Board then approved the plan for a voluntary assessment/surcharge to create the initial cash flow for the District. A chart showing the initial payment amount approved by the Board is attached. The Board agreed that property owners within the District would be asked to pay fifty percent (50%) of the voluntary assessment at this time and the remaining fifty percent (50%) at a later date when additional cash flow is needed.

Finally, the Board reviewed the attached annexation requests and directed Mr. Brown to prepare an Ordinance to approve the annexation requests for first reading at the next Board meeting.

The Board then heard public comment on non-agenda items. As per previous agreement, Mr. Tony Kolnik was allowed to speak for five (5) minutes regarding his disagreement with certain comments made by Board Chairman John Hulme in his February 22, 2005 letter sent by Chairman Hulme, in his personal capacity, to the Gallatin County Commissioners regarding his opposition to the Petition to create a second Four Corners County Water and Sewer District.

After consideration of their calendars, the Board then concluded that if possible, the next Board meeting would be held in June, depending on Mr. Brown's trial schedule and the availability of Board members. The meeting was then adjourned at 7:22 p.m.

DATED May 24, 2005.



JOHN C. BROWN, Acting Secretary and Legal Counsel