

FOUR CORNERS COUNTY WATER AND SEWER DISTRICT MINUTES  
Board Meeting February 16, 2006

1. Call to Order: Meeting was held in the main Conference Room at the Zoot Enterprises Building located at 555 Zoot Enterprise Lane.

Present: John Hulme, Richard Smith, Chris Nelson, Dennis Simpson present telephonically for Item 4b only.

Absent: Mike Pearson

Also present: Susan Swimley, attorney for the District, members of the public

A quorum of three being present, the meeting was called to Order at approximately 7:00 p.m.

2. Approval of Minutes: John Hulme moved approval of the minutes as presented from the November 15, 2005 and December 5, 2005 meetings. Chris Nelson seconded the motion. The Motion passed unanimously.
3. Old Business:

- a. The Petition to Exclude Garden Center real property from the District was tabled until John Hulme can contact Bill Martell regarding the request.
- b. John Hulme introduced the May 24, 2005 Rules, which contain a Utility Solution rate. The Board discussed the need to decide on District Rates and Charges as the District has on-going expenses such as annual accountings and attorney fees.

Chris Nelson suggested that the District needs a budget and then should look to the landowners to levy. The Board discussed Chris's proposal.

Chris Nelson moved to set the fees by I) upcharge \$5.00 / EDU on the monthly charges; II) levy an additional voluntary fee to generate \$20,000 (60/lot) to generate operating revenue for 2006; and III) add a tax levy for 2-3 years to reach build out.

Richard Smith seconded the Motion. The Motion passed unanimously.

- c.i. The Board discussed amending the Utility Solution's contract to include properties which are within the District but not under the contract. John Hulme moved to amend the Utility Solution Contract to include the land identified as 2, 10 and 11 on the attachment entitled Four Corners Annexation Requests. Chris Nelson seconded the Motion. The Motion passed unanimously.
- c.ii. The Board discussed amending the Utility Solution's contract to include the area south of the road. The contract contemplates adding in areas for the 2<sup>nd</sup> Service Area and including the properties identified as 1, 3, 4, 5, 6, 7, 8, and 9 on the attachment

and including the properties identified as 1, 3, 4, 5, 6, 7, 8, and 9 on the attachment entitled Four Corners Annexation Requests in the 2<sup>nd</sup> Service Area.

Richard Smith moved to authorize the negotiation of the amendment to the Contract. Chris Nelson seconded the Motion. The Motion passed unanimously.

4. New Business:

- a. The Board discussed the need to conduct an audit. Richard Smith moved to hire a certified public accountant to conduct the annual report. Chris Nelson seconded the Motion. The Motion passed unanimously. Richard Smith will follow up with suggestions for an accountant.
- b. Richard Smith disclosed that he is an owner in the Smith 2 lot minor and recused himself from the Board during action on this item. Dennis Simpson was contacted telephonically and placed on speaker phone for a quorum to act. John Hulme moved to accept the annexation of the Smith 2 lot minor. Chris Nelson seconded the Motion. The Motion passed unanimously. Dennis Simpson then disconnected his telephonic attendance.
- c. The Board welcomed Susan Swimley as the attorney for the District.

5.. Public Participation:

Jimmy Lohmeir stated that Chris Nelson's term has expired and that he doesn't believe Chris is a legal member.

John Hulme responded that John Brown, former legal representation for the District opined that Chris remained a board member until his position is filled.

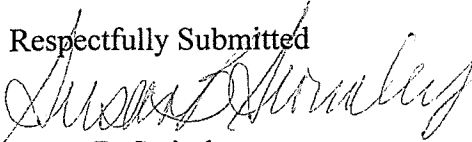
6. Board Member Issues

John Hulme stated that the Board is actively seeking new Board Members.

The Board, having discussed the date for the next meeting, set the meeting tentatively for March 1, 2006.

7. Adjourn Meeting

Respectfully Submitted



Susan B. Swimley

acting secretary and legal counsel