

## Board Minutes 6/14/11

### In Attendance

David Hanna  
Chris Hanson  
Denise Kohama  
Dwight Mikkelson  
Rick Schurger  
Randy Smart  
Larry Chilstrom

Chris Hanson called meeting to order at 6:30.

Dwight made motion to approve the minutes (with amendments) for the 6/7/11 board meeting. Randy Smart Seconded. Motion put up for vote. All ayes. Motion passed.

Chris had each member of the board sign a waiver for workman's compensation which is required per our insurance policy.

David Hanna clarified that there would be two closing dates. The first date is Monday June 20, 2011 to close on the loan from the USDA. On this date David Hanna, Chris Hanson and Denise Kohama would need to be present.

The second closing will be on the following Monday June 27, 2011 to acquire the water rights from C&J Sanders Inc, .. David Hanna and Chris Hanson will be present at this closing.

Chris Hanson also met with Denise Livingston (grant writer) about requirements from the ADA about our public meeting place, it must be changed from Johnson Siding Community Center to a place that has handicap accessible restrooms. The location will be changed to Rim Rock Church, located at 12200 W. Highway 44. She is also working on putting together the association's Emergency Action Plan.

David Hanna will be getting a letter confirming that we are engaging Dennis DesMet from DesMet & Biggs as the association's CPA. Audits will be done at the end of each calendar year. This is one of the USDA requirements to receive the loan.

Kristen will also be bringing a bill for \$15,000.00 at time of closing to cover legal fees for Bangs, McCallum. The USDA requires all attorney fees be paid at time of closing.

There was discussion about the amount to be charged for the monthly base rate. The current amount is \$100.00 and because the community is purchasing the water system instead of being privately owned the rate should be lowered to \$80.00 plus the current water usage charge. Chris Hanson made motion to reduce monthly base rate to \$80.00 per month. Seconded by Denise Kohama. Put up for vote. All ayes. Motion passed.

Keith reported that after checking on printing costs at the Little Print Shop our costs will be as follows:  
200 copies of payment books (including additional line for membership payment) and updated

rate sheets would be \$211.80.

200 copies of a small booklet containing the bi-laws and Article of Incorporation would be \$242.11.

Keith also let us know that he has set up a new phone number for the office it is 605-342-2254.

The question was raised about members who start to pay their membership fees on the extended payment plans and then pay it off early, they wanted to know what would need to be paid as far as interest.

Chris Hanson made a motion that if a member's monthly payment plan is paid off early the interest charged would be pro-rated for time over the months it took to pay.

Second Randy Smart. Put up for vote. All ayes. Motion passed.

After much discussion about how to charge the apartments on the corner of Hisega Road and Highway 44, Chris Hanson made a motion on commercial properties as follows:

Commercial properties will be charged the \$1,000.00 membership fee for the first meter and a \$250.00 membership fee for each additional meter. On properties with more than one meter that are zoned commercial the monthly fee will be, the full base rate plus cost of water used on the first meter and a 50% discount on the monthly base rate plus full cost of water used for each additional meter on same property.

Second Randy Smart. Put up for vote. All ayes. Motion passed.

At this time the association has \$21,000.00 in the bank and had collected an additional \$15,600.00 in membership fees for a total of \$36,600.00 to bring to the table at closing. The association will need to collect an additional \$20,400.00 before closing next Monday.

David Hanna went over his list of what needed to be done before closing on the loan next Monday.

- Budget submitted to USDA

- Pick up CPA letter

- Proof of funds in bank

- ADA considerations (Denise Livingston)

- Emergency Plan of Action (Denise Livingston)

- Insurance (Chris Hanson)

David Hanna also stated he would be going over to Jack and Carla's this Saturday to go over their business records (profit and loss statements, etc.). Where to store these records after closing on the 27<sup>th</sup> was briefly discussed but no decision was made.

David made a motion to adjourn the meeting. Rick Schurger second. Put up for vote. All ayes. Motion passed.