

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING
November 18, 2021**

A public meeting of the Directors of the Skyline Improvement and Service District was held on November 18, 2021 via Zoom.

Kurt Harland, Latham Jenkins and Jim Lewis constituting a quorum were present. Homeowners attending were Worthy & Maria Johnson, Warren Machol, Mike Minter, Arne Johansen, Derek Goodson , Nick Houfek, John Willott ,Alan Wood and Bill Schwartz.

Call to order

Kurt called the meeting to order at 4:00 pm and introduced the guest speakers.

1. Guest Speakers- Carlin Girard, Exec. Director and David Lee, Water Resource Specialist of the Teton Conservation District. Topic: Water Use and Conservation in a Rural Teton County, Wyoming Subdivision.

The 13-page TCD presentation that Carlin and David spoke to is posted on the Skyline website under the Water tab. Also posted is TCD's 2020-2021 report on the Teton County Drinking Water Quality Mapping Project.

Following the presentation, homeowners Minter, Machol and Johnson asked questions of Carlin.

2. Review and approve Board Minutes of 10/21/2021

Action: Kurt made a motion to approve the minutes of 10/21/21. Latham seconded.

Public comment:

Mike Minter: (1) commented about incomplete and inaccurate minutes (see emailed comments attached; (2) commented that there are few tiered rate structures in Wyoming, and (3) in the WWDC study the tiered rates were an example and not a recommendation. Jim agreed it was an example and not a recommendation. Regarding Minter's 11/18 written comment (attached) about the WWDC application Jim read from an email he received from George Moser of the WWDC on 11/18 :

"I do not believe the "representation of financial source for project funds" changes the spirit of the application. I interpret the application to be more relevant to giving insight and background of current financial plans and proposals within SRISD and ultimately provide information as to how the project might be completed. More directly, your introductory sentence in the same section indicates intent to fund the sponsor cost share of the Groundwater Exploration Grant via emergency account funds, which are reported in an earlier section of the application to be sufficient to cover the immediate "cash match".

Minter asked that this be included in these minutes.

Worthy Johnson: In 2016 the Board voted on using a recorder and should go back to it.

Warren Machol: (1) his questions to Josh which were submitted at 10pm were not addressed by Josh at the meeting even though two others which were received after 5pm that same day were addressed; (2) said he wanted the board to have Josh respond to his questions in writing; (3) asked why the minutes of the meter meeting were so complete and other meetings so incomplete.

Following public comment, the motion to approve the minutes passed 3-0.

4. Adoption of agenda.

Action: Kurt made a motion to approve the agenda. Latham seconded, which passed 3-0.

4. Public Comment

Emailed comments attached

Mike Minter

Corbin McNeil

Derek Goodson

John Willott

In person comments;

John Willott- (1) objected to the order of the agenda as the water committee item should have been placed earlier in the agenda to have time to discuss as the committee has advise to offer.

(2) input could have been provided on the district engineer agenda item;
(3) concern about well #4 and asked that his comments made, at the last meeting, which he will email be posted to these minutes, (4) concern is with the prioritization of the distribution system vs. well #4 as the distribution system is critical.

Warren Machol: (1) reiterated his request to know who prepared the Meter minutes of August. Jim said Suzanne Leggerman of Nelson Engineering.
(2) reiterated that he wanted Josh Kilpatrick to answer his questions in writing.

Bill Schwartz: (1) said that as a tax payer, he objects to the board paying with ISD funds to respond to numerous questions of a single homeowner; (2) said that it is insulting to think the minutes are not sufficient;

5. Skyline Director election results

Jim read from the Certification of Election which was held on 11/2/2021 which is posted on the website.

- 1.Number of ballots mailed: 154
- 2.Number of ballots received: 66
- 3.Number of ballots spoiled: 2
- 4.Number of ballots not returned: 72
- 5.Number of ballots undeliverable:14
6. For a total number of ballots of 154 (total of #'s 2-5).

Jim said that of the 66 ballots received the final vote was 62 votes for Kurt Harland, with 2 write-in votes for Warren Machol and 2 write-in votes for Mike Minter.

Kurt took his Oath of Office on 11/3/21.

6. Motion to approve board Chair

Action: Jim made a motion to appoint Kurt Harland as Chair. Latham seconded the motion which passed, 2-0, with Kurt abstaining.

7. Correspondence received by Dave

Jim said that almost all meter readings are in except for a couple. Also, regarding meter sizes, only 3 are missing, and all those are the 3 houses under construction, although 2 are nearing completion and should know their meter sizes.

8. Review Treasury Report as of 10/31/2021 and approved invoices for payment.

Jim reported that Skyline deposits in all accounts as of 10/31/21 were \$478,835.35 after netting out \$12,500 in refundable road damage deposits from homeowners constructing homes. The comparable figure for 9/30/21 was \$494,156.55. Jim added that Skyline had received from the Teton County Treasurer \$41,835.29 on November 8th and as of November 10th, net of refundable road damage deposits, funds in all accounts totaled \$505,917.05.

Public comment: John Willott (1) asked questions about the amount of funds we have in our water reserves and road reserves, and (2) given the amount in road reserves could some of those funds be used for water purposes as he was concerned with the AC line. Jim said he's checked with our counsel and we can.

The below list of invoices as of 10-31-21 were reviewed by the Board for approval:

Bar G Accounting, LLC	\$ 300.00
Clearwater Operations & Services	972.98
Evans Construction	5,151.67
Lower Valley Energy	310.77
Nelson Engineering	5,071.23
Teton County Environmental Health	20.00
Teton Financial Consulting, Inc	1,575.15
Teton Media Works, Inc	<u>350.00</u>
Total	\$ 13,751.80

Action: Jim made a motion to approve the current invoices as of 10-31-21 totaling \$ 13,751.80.. Latham seconded the motion.

Public comment: Worthy Johnson asked what accounts ,payment for these bills, come out of. Jim said there's a number of sub-accounts these are booked to and gave some examples

Following public comment, the motion passed 3-0.

9. Motion to appoint Nelson Engineering-Josh Kilpatrick as District Engineer.

Action: Kurt made a motion to appoint Nelson Engineering-Josh Kilpatrick as District Engineer. Jim seconded the motion. Jim said there were some questions that came up about whether an RFP is needed and Jim said none is needed, and moreover professional services are specifically excluded from requiring an RFP. With Josh's work on the WWDC Skyline study, his 16 years with Nelson Engineering and his work with Spring Creek, Teton Village, Town of Jackson, Indian Paintbrush, and Gros Ventre Norths, he feels Skyline would be well-served. By Nelson and Josh.

Public comment: John Willott (1) asked whether we have a list of tasks that we want him to work on and whether he could work on the AC pipe issue. Jim said there are no tasks as of yet but he would be working on things as we execute under the various elements in the WWDC study including well #4 and submitting a level 3 study to the WWDC in September 2022. Josh would certainly be involved with the AC pipe.

Worthy Johnson: (1) If the board decides to go with Nelson on well #4, it's locked in with Nelson Engineering. Kurt said that Nelson would be going out for bids with the drilling companies, Nelson doesn't drill wells.

(2) Is this a conflict of Nelson Engineering since it's run by Bob Norton? Kurt said he's retired from Nelson and has sold all his interest.

Derek Goodson: I have personally worked with Josh Kilpatrick and Nelson Engineering for years. They are both extremely capable and well connected in the region. Their billing has always been accurate. They are responsive and timely. As an aside, a Skyline resident, Bob Norton, is now retired from Nelson Engineering. I support the decision of the Board.

Corbin McNeil (from email): Jim read from Corbin's 11/18 email: "Has the Board addressed the issue of the apparent conflict of interest that will result from hiring a District Engineer for the firm that has been heavily involved in studies for the ISD. In my previous business life this situation would require exclusion of Nelson Engineering from any further work for the ISD"

Following public comment Kurt called for a vote on the motion which passed 3-0.

10. Update on WWDC application for Well #4 groundwater exploration grant.

Jim reported that the WWDC approved Skyline's grant request on November 9th. We received an emailed draft contract from the WWDC on 11/16 and it was posted to the website on 11/16. It's been sent to our legal counsel for review.

11. Request of Worthy and Maria Johnson to vote on the formation of a Water Committee to gather information that aids the Board's decision-making process.

Worthy started by saying that at the last meeting the Board requested more detail on the Committee and asked John Willott to elaborate. John said there are a number of people with a lot of experience who could help develop a priority list of what needs to be done. A technical engineering group within the committee could look at supply, distribution and service. On distribution, John expressed his concerns with the AC pipe in the first filing, if asbestos were ever found in the water, plus we're in an earthquake zone.

Worthy added that the Committee might be able to save the District money by working with Nelson on alternatives instead of proceeding with well #4.

Bill Schwartz commented that nothing prevents anyone from the community to provide ideas or comments to the Board, but from a governance standpoint he thinks it would be a mistake to form a formal committee, given the contention created around the water discussion, and the few people who have expressed both disagreement and hostility to the board.

Worthy said that it is not the intention to interfere with what the Board is doing but rather to save the ISD money. The committee would report to the Board and work with Nelson and the Board.

Jim stated that one of the of the proposed committee members contacted the WWDC as he received a call from the WWDC. So one person has already done things independently and at odds with the Board's direction. Another person queried the accuracy of our application to the WWDC. Jim said he checked this with the WWDC and there was no issue. Jim said that he didn't think the intent of the committee is as was described but rather to reset and redirect, and he personally does not support the formation of a committee.

Derek Goodson commented the he agrees with Bill Schwartz's statement and that the Board has already engaged professional engineers in Nelson and Josh who are going to do the work. With interest rates below inflation rates, we should move forward as delays will cost money.

Action: Following discussion and comment Kurt made a motion to form a water committee. There being no second, the motion failed and did not move forward.

12. Adjournment

Kurt adjourned the meeting at approximately 6:20 pm

Approved by:

Kurt Harland
Chairman

Approved by:

Latham Jenkins
Vice Chair



Jim Lewis <jamesl5546@gmail.com>

Misleading statements in Board Meeting Minutes/WWDC Application

1 message

michael minter <trewil@hotmail.com> Thu, Nov 18, 2021 at 9:35 AM
To: Kurt Harland <thekurtharland@gmail.com>, Latham Jenkins <latham@circ.biz>, Jim Lewis <jamesl5546@gmail.com>
Cc: "Anderson, Jeffrey B" <Jeffrey.Anderson@tcw.com>, Jim Hunt <jkhunt@gmail.com>, Maria Johnson <mariajohnson53@gmail.com>, "wjohnson@lawrencecapitalmgt.com" <wjohanson@lawrencecapitalmgt.com>, Warren Machol <wlm.assoc@gmail.com>, Corbin McNeill <camcneilljr@gmail.com>, "jwillott@aol.com" <jwillott@aol.com>, "jkilpatrick@nelsonengineering.net" <jkilpatrick@nelsonengineering.net>

In the minutes of the June 2021 board meeting Jim Lewis wrote that one of the study recommendations of the water study was that tiered rates should be adopted. In the WWDC application, under "how do you intend to fund the project", the statement entered was "that a rate study based on recommendations and finding of WWDC and is looking into implementing a tiered rate structure".

The WWDC study DID NOT recommend a tiered rate structure. As was made clear in the study, the tiered rate structure was used as an EXAMPLE(see Appendix E4 entitled Example of Tiered Water Rate Structure). A rate structure that the board directed Josh Kilpatrick, who headed the WWDC water study, to use. What is the evidence supporting this statement? In response to a question directed to Josh at the 10/22 board meeting, Josh stated that the board had instructed him to use the recently adopted Town of Jackson tiered rate schedule. In addition, in written response to questions submitted by residents prior to the 10/22 meeting, Josh also stated that he had been asked by the board to use the Town of Jackson tiered rates in the study.

Please address this issue at today's board meeting, including how the application will be amended to remove the implication that a tiered rate structure was the recommendation of the water study.

Mike Minter



Jim Lewis <jamesl5546@gmail.com>

November 18 Board Meeting

Corbin McNeill <camcneilljr@gmail.com>
Reply-To: camcneilljr@gmail.com
To: Jim Lewis <jamesl5546@gmail.com>

Thu, Nov 18, 2021 at 11:10 AM

Jim,

Due to a previous engagement I am unable to attend the meeting but I would make the following comments on agenda items:

1. Has the Board addressed the issue of the apparent conflict of interest that will result from hiring a District Engineer for the firm that has been heavily involved in studies for the ISD. In my previous business life this situation would require the exclusion of Nelson Engineering from any further work for the ISD.
2. I hope the Board has heeded the advice of members to slow interest in a new well until other options have been formally reviewed and discussed by the Board in an open Board meeting.
3. I again strongly endorse the Worthy recommendation for an Advisory Committee. I further believe that several representatives of the lower section should be added.

Corbin McNeill



Comments for Today's Skyline Meeting

1 message

Derek Goodson <dgoodson@springcreekbranch.com>

Thu, Nov 18, 2021 at 3:39 PM

To: Jim Lewis <james15546@gmail.com>, thekurtharland@gmail.com

Jim/Kurt,

I have a schedule conflict and cannot attend today's Skyline ISD meeting. In looking at the agenda, I see only two action items:

1. Appoint of District Engineer
2. Creation of a Water Committee

The attached is also copied below:

During the public comments and the comments of these two actions, please read my comments below:

#4 Public Comment

- I want to commend the Board, and especially Jim Lewis, for the leadership in putting together a comprehensive, well-conceived strategy to replace and enhance Skyline's aging and out of current code water system.
- The existing water supply and distribution system is
 - Almost 60 years old
 - Will not last forever
 - Approaching end of useful life
 - Includes significant lengths of Asbestos Cement pipes
 - Was once considered state of the art
 - No longer used
 - That in only a matter of time before it is compromised and no longer able to supply potable water
 - Includes significant lengths of substandard PVC that are destined to fail
 - Not capable of supporting fire suppression hydrants
 - Does not have the capacity to supply future needs
- My only concern is that we cannot complete this work fast enough
 - I don't want to wait until asbestos levels in the water are too high and we no longer have potable water
 - I don't want to have to ration water
 - I want fire suppression so that my home can be insured at a reasonable cost, assuming that it is insurable – many insurers are not writing policies in wildfire prone areas
- Low cost and some no cost financing is available now. It might not be tomorrow
- The cost per lot is not really material – likely in the \$200 per month range
 - If you cannot afford, let's find a way to make it work
 - If you can afford, but don't want to pay, why not?

- To the Board
 - Thank you again for your hard work
 - Listen to good ideas, and ignore the negativity
 - Move faster not slower
- Lastly, congrats to Kurt Harland for a landslide win
 - The community obviously likes what you are doing.

Appointment of District Engineering

- I have personally worked with Josh Kirkpatrick and Nelson Engineering for years
- They are both extremely capable and well connected in the region
- Their billing has always accurate and typically less than expected/budgeted
- Most importantly, they are responsive and timely
- As an aside, a Skyline resident, Bob Norton, is now retired from Nelson Engineering, but likely will be an added benefit for ensuring accurate and timely work.
 - Some may believe that this is a conflict
 - Mr. Norton gets no compensation for any Nelson work done for Skyline – none

Creation of a Water Committee

- The Board has already engaged professionals to study future needs, potential and other related forecasts, and to prepare cost analysis and forecasting
- These works are already available to all
- I am curious what this committee would actually do what has not already been done in terms studies, forecasting, etc.
- At this time, I would not be in favor of creating this committee for the following reasons:
 - I have seen no charter or description of duties and responsibilities
 - It would be an advisory committee with no actual decision-making authority
 - I see the committee requesting additional/second opinion professional studies, reviews, etc. beyond those already prepared and that the current Board is following.
 - These studies will serve to add cost (actual and inflationary) and cause delays
 - From experience, committees such as these only serve to delay and add cost
 - Currently, I see no useful purpose
- For those that are requesting this committee, I suggest that they can do whatever it is that they want in an unofficial capacity.
 - If they have useful input, they are free to communicate that to the Board
 - If they want to hire consultants for second opinions or to develop a different strategy, they are welcome to hire their own professionals at their expense
 - If they just want a venue to voice objection, they can use their living room and talk to those that want to listen
- The Board, especially Jim Lewis, has spent much time to develop replacement program for Skyline's aging and out of current code water system. This program needs to be implemented without delay.





My list of ideas on the technical side of our water system

1 message

jwillott@aol.com <jwillott@aol.com>

Thu, Nov 18, 2021 at 6:25 PM

Reply-To: jwillott@aol.com

To: "jamesl5546@gmail.com" <jamesl5546@gmail.com>

Technical/Engineering Group

- SUPPLY
 - Update pump control systems and motors
 - Make it so both pumps can be run at same time
 - Determine maximum delivery rate to distribution system with both pumps running
 - Evaluate improved/increased storage vs increased lifting to meet demand
 - Consider additional pressure reduction stations
 - Benefit – higher pressure at top of hill
 - Increase pressure in pressure tank-increases surge capacity
 - Increases pressure for existing hydrants
 - Determine is a third well needed
 - Add second backup generator
 - Add continuous metering on both pumps
 - determine time of peak demand
 - determine output of each well as a function of time pumped

 - DISTRIBUTION
 - Design and bid lining/replacement of 1st filing distribution system
 - Evaluate required flow rates needed at current fire hydrants and cost to implement

 - SERVICE
 - Determine which curb stop to house lines have been replaced
 - How many more need updating and cost of work
 - Determine the need/requirement for more fire hydrants
 - Develop standard data recording and operation procedures for water system
 - Improve reliability and resilience of water system
 - Develop a cost/risk project prioritization process for all changes/upgrades to the water system
 - Develop regular (at least quarterly) water communications with all Skyline homeowners
-