

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING
November 29, 2018**

A public meeting of the Directors of the Skyline Improvement and Service District was held on November 29, 2018, in the Berkshire Hathaway offices at 138 N. Cache Street. The following Directors, constituting a quorum, were present: Kurt Harland, Latham Jenkins and Jim Lewis.

Homeowner's present: Susan Dong, Arne Johansen and Will Garson

Kurt, serving as Chairman, called the meeting to order at 4:00 pm.

1. Review and approve of Board minutes of 10-11-18

Action: With one correction of the August 2019 board date from August 10 to August 8, Kurt made a motion to approve the minutes as submitted. Jim seconded. The motion passed unanimously, 3-0, and the minutes were signed.

2. Changes to the Agenda

There were no changes other than the numbering. Latham Jenkins asked if we could delay item #14 to as late as possible in the meeting as homeowner Warren Machol indicated he would be present, but had a prior appointment at 4pm. Kurt stated that this would not be a problem.

There were no other changes to the agenda.

3. Public comment on things not appearing on the agenda

There was no public comment.

(Homeowner Fred Hibberd and Carly Schupman, ISD bookkeeper joined the meeting.)

4. Skyline Director Election-ballot opening and counting by election judges.

Kurt made a motion to appoint Arne Johansen, Susan Dong and Will Garson as election judges. Jim seconded and the motion carried unanimously 3-0. Carly explained the procedures to the election judges, who left the room with the unopened ballots to record the results.

The election judges returned later in the meeting. The results were:

- 97 ballots mailed
- 41 ballots returned as undeliverable
- 56 ballots returned
- 2 ballots were spoiled
- Total valid ballots= 54

The vote was 54 votes in favor of Latham Jenkins.

5. Review correspondence/docs presented by Carly.

Carly said the water testing report has been received and Latham will post it to the website.

Kurt and Jim opened the envelopes containing the First Interstate bank statements and compared the balances in the various FIB accounts as of 10/31/18 to the balances reported on the Treasury Report of the same date.

The FIB statement ending balances tallied with the Treasury Report which were as follows:

- Road reserves: \$ 49,246.02
- Water reserves: \$ 82,635.87
- Operating, Savings : \$ 59,359.43
- Checking: \$ 100 .00(maintained at \$100 after checks clear.)

The amounts above **exclude** the water reserve funds held at First Western Trust in the total amount of \$ 202,094.23.

Carly presented a list of homeowners who've provided their fall meter readings, and Jim said he'd reach out to those who have not yet responded.

Regarding the mailbox survey, the results were that only one homeowner who didn't want a box, wanted one. All homeowners responding that they had a box, wished to retain it. Jim said that the Frankel's had two boxes for a single address and that he would make contact with them about releasing one.

6. Review FY Budget vs. 4 mo. 10/31/18 actuals

Carly handed out the report, but Carly noted that there was an unclassified expense amount which Carly has to go back and put into either the road or water column. Jim recalled seeing an email for roughly a \$20,000 credit in October from Teton County Treasurer for taxes collected that doesn't appear in the report. Given the incomplete report, Jim pulled the submission as further work had to be done.

Jim did mention that we're getting close to our full year budgeted amount for Contract labor-water of \$37,000 given the 3 leaks we've had thus far. Jim said he's becoming less comfortable with the budget as if we experience one more leak we'll definitely be over that budget category. Jim said that we'll review things again at our January meeting and then decide whether an amended budget should be prepared.

Jim and Carly agreed to meet/communicate at least 2 days prior to every board meeting to review the financial material that will be presented to the board.

7. Review Treasury Report, pay bills, outstanding A/R from homeowners

As of October 31st, ISD fund balances in both FIB and FWT, including operating accounts and the road and water reserves totaled \$393,435.55. Jim said that the breakdown was:

Water reserves-\$284,730.10
Road reserves- \$ 49,246.02
Oper. Savings - \$ 59,359.43
Checking a/c- \$ 100.00

Action: Kurt made a motion to approve the unpaid invoices, totaling \$ 25,314.98, which includes an invoice from HD Fowler for \$14,042.04 for the four fire hydrants and related connections. Jim seconded the motion. The motion passed unanimously, 3-0.

With this approved motion, and the signing of checks, the District's reserves, as of **November 30, 2019** will be \$387,818.90.

Regarding the A/R from McCann for the tree removal from Meadowlark last winter a certified letter has been sent and collected, but we still have not heard from the lot owner regarding the \$400 reimbursement. Fred Hibberd asked who's responsibility it is to remove a tree that's fallen from the easement onto the roadway. Kurt said as the homeowner/lot owner owns the property to the road way, if a tree falls from anywhere on the property and impacts the roadway, it's the homeowner's responsibility, however the District will immediately arrange to have the roadway cleared if the homeowner does not do it themselves, and the owner will be billed.

Carly asked some questions about the application for our WGIF account and gave Jim some of the completed forms.

8. Update of Skyline's October 5th grant submission to the Teton Conservation District.

Jim said that we had submitted a grant request to the Teton Conservation District up to their maximum of \$35,000 to pay for our four fire hydrants and installation, and our application was declined, as it wasn't a complete fire suppression system. However, given that the scope of our water infrastructure capital needs are much greater, the TCD (Robb Sgroi) had our request reviewed by the Wyoming Water Development Commission (WWDC) representative, Jodi Pavlica. She said that given the scope of our request, it didn't fall within the TCD's grant framework for a fire suppression system, however she strongly recommended that we submit an application for a Master Plan study to be done by the WWDC. This would be a complete look at our system from the wells to storage to distribution. Additionally, Jim said he had asked if the study could also include recommendations for water rates and charges and Jodie answered in the affirmative. If we go beyond a Level 1 study to Level 2 and Level 3, the associated costs are subsidized by 67% by the WWDC with 33% being borne by the District. In the event the final cost for

implementing the system plan is such that the District needs a loan, they would help get a long-term loan from the State at 2% interest. The initial application fee is \$1,000 and if the WWDC does not approve our application, \$750 is refunded.

9. Discuss application to State of Wyoming Water Development Commission and approve \$1,000 application fee.

Kurt made a motion to approve the \$1,000 application fee to the WWDC. Jim seconded. The motion passed unanimously.

Jim said that that as part of the application a notarized copy of a Board Resolution needs to be approved. Jim made another motion to approve the following resolution, which he read into the minutes:

BOARD RESOLUTION NO. 2018-1

A RESOLUTION AUTHORIZING APPLICATION FOR WYOMING WATER DEVELOPMENT COMMISSION (WWDC) LEVEL 1 STUDY

WITNESSETH

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE SKYLINE IMPROVEMENT AND SERVICE DISTRICT IN JACKSON, WYOMING

- 1. The Skyline Improvement and Service District (District) requests Level 1 Master Plan Study grant through the Wyoming Water Development Commission for the Level 1 Study and Master Plan for the District's water producing, storage and distribution system.**
- 2. The District will make available all prior documentation and engineering reports to the WWDC to facilitate the Level 1 Master Plan Study.**
- 3. The District supports this study, and approves of the \$1,000 expenditure to the Wyoming Water Development Commission.**

BE IT FURTHER RESOLVED, that Kurt Harland, Chairman, is hereby designated as the authorized representative of the Skyline Improvement and Service District, to act on behalf of the Governing Body on all matters relating to this Level 1 funding request.

This Resolution shall be in full force and effect upon its passage and adoption.

PASSED, ADOPTED AND APPROVED, as of the 29th day of November 2018.

Kurt Harland

Chairman
Skyline Improvement and Service District

ATTEST:

James E. Lewis
Director, Secretary-Treasurer

Kurt made a motion to approve the board resolution No. 2018-1. Jim seconded. The motion passed unanimously, 3-0. Jim and Kurt would sign the Resolution in front of a County Office notary the following week.

10. Review any public comment received re Amended Investment Policy.

Jim said that he received an email from homeowner Tom Chapman asking for additional information on the Wyoming Government Investment Fund (WGIF), which was the reason for amending our Investment Policy. Jim provided Tom with information on the WGIF as well as a copy of the amended policy and Tom was satisfied. Tom's main question was whether the WGIF was approved by the State of Wyoming to administer municipal funds to which the answer was yes. There were no other comments that came before the board during the 45-day public comment period.

11. Motion to approve Amended Investment Policy

Latham made a motion to approve the revised Skyline Investment Policy. Jim seconded. The motion passed unanimously, 3-0.

12. Approve opening accounts with the Wyoming Government Investment Fund (WGIF)

Jim said that with the approval of the Investment Policy, we could open up accounts with the WGIF, once a motion is made and approved. Jim made a motion that Skyline open a money market account and CD's with the WGIF and pass the required board resolution to do so. Kurt seconded the motion. There being no public comment, the motion was unanimously approved 3-0. As the resolution (Board Resolution No. 2018-2) was quite long, Kurt said it could be an attachment to the 11/29/18 Board minutes. The Director's signed the Board resolution.

13. Approve moving ISD reserve funds from First Western Trust to WGIF for placement in WGIF 7-day yield fund, and closing First Western Trust account.

Jim made a motion to transfer the District's reserve balances held with FWT to WGIF and invested in WGIF's 7-day yield fund. Kurt seconded. The motion passed unanimously, 3-0.

(The board advanced the next five agenda items so that homeowner Warren Machol could attend that portion of the meeting regarding the two-curb stop issue)

14. Review homeowner request for Board approval to restore the view corridor for 3275 W. Teal Road; determine next steps

Kurt suggested we table this until the spring before the trees leaf out, as based on information provided by Todd Cederholm, a surveyor the District approached, it would appear that there is no deeded easement to Skyline for the right of way along Goldfinch road. Latham asked who would pay for the survey and Kurt said the homeowner agreed to pay directly or reimburse the District. Jim said that the invoice was just received and it was \$300. Jim said he also forwarded the Surveyor's response to Bob Norton and Bob thought we did have an easement and would check his files. Kurt said that we have move cautiously and know what's what, before trees start being trimmed.

15. Review status Board's objective for FY 2018-19

Jim said that the board has completed most of the objectives set out. Two that have not is 1) the deferral of the revision of the Skyline Bylaws to incorporate the activities of the Site Committee within the responsibilities of the Skyline Board, thereby reducing our insurance policies from two polices (Tegeler and LPLG) to just one (LPLG) and eliminate that one insurance premium. The second item is the "no-out" sign at the beginning of Killdeer, which will have to wait until spring.

The upcoming major objectives coming up are:

- a) Open and fund the WGIF accounts in December
- b) Complete the year-end self-audit for the Wyoming Department of Audit
- c) Complete and submit our application to the Wyoming Water Development Commission in January.
- d) Complete preliminary Skyline budget in May 2019 for the State
- e) Complete the final Skyline budget in June 2019 for the State
- f) Approve the final Skyline budget in July 2019.

Kurt said we also need to work on the land adjustment for the lower pump house with Lot 40, which won't happen until spring now. The homeowner is being very accommodating and we just need to do some additional work. Jim put a target of October 2019 to get this completed.

16. Consider developing a Skyline Emergency Preparedness Plan in the event of earthquake or other natural disasters. Invite representatives from Geologists of Jackson Hole and Teton County Emergency Preparedness to January meeting.

Jim said that this was a suggestion from a homeowner following the presentation from Robb Sgroi of the TCD about wildfire mitigation, which occurred coincidentally during the Roosevelt fire. More recently there was the Paradise fire. Jim said that a number of homeowners had signed for the free home/lot fire assessment by the TCD. Kurt agreed that these would be good additions to our January board meeting. Jim and Arne Johansen will follow-up.

17. Motion to approve 2019 board meeting dates:

Kurt made a motion to approve the following board meeting dates. Jim seconded and the motion was approved 3-0.

- | | |
|---------------------------------------|-----------------------------|
| -January 17 (3rd Thursday- JH Grocer) | -July 18 (3rd Thursday) |
| -February- no board meeting | -August 8 |
| -March 14 | -September-no board meeting |
| -April- no board meeting | -October 10 |
| -May 9 | -November 14 |
| -June 13 | -December-no board meeting |

19. Other business

Kurt brought up the issue of snow storage at the end of Killdeer as it was brought up by a homeowner and is an issue. Jim said that regarding the cul-de-sac issue, i.e. the lack of proper turnaround, snowplows and garbage trucks having to back up, the lack of space for snow storage, his question is who pays for it. Is it a Skyline wide shared expense (special assessment) or is it just the homeowners on Killdeer and Tanager who benefit from the improvement. Jim said he had contacted Paul D'Amours, District counsel, and said that the board's initial thinking was that this improvement should have been done a long time ago, and since the residents on those two roads have been paying their full assessments like everyone else, that perhaps it should be a Skyline wide special assessment. Jim said that Paul was unmoved by this rationale and felt that the cost should be borne by the roughly 10 homeowners on those two roads. Otherwise, it would have to go to a Skyline wide vote for a special assessment. Kurt said he was a bit uncomfortable with this view despite benefiting those few, what if a fire truck can't get up or turn around in the snow and gets stuck, and a fire spreads on NW Ridge (if the fire was on Tanager), and that affects the entire community. Kurt also said that this was something that should have been dealt with at the Districts inception with the road improvements and wasn't. Kurt feels that we're one community and we should improve the District's infrastructure. Latham agreed with Kurt, that it is a community benefit. Kurt also said that one recommendation of Paul's was to approach the homeowners to grant easements so that a fully functional, more efficient, turn-around could be constructed.

(Homeowner Warren Machol joined the meeting).

18. Consider refunding to 3 homeowners, who have had 2nd curb stops on their properties for many years prior to the July 16, 2017 board decision, the FY2018-19 \$475 water maintenance charge for their 2nd curb stop.

Jim said that 2017 board decision had the effect of impacting 3 homeowner's who had placed 2nd curb stops on their properties to service out buildings 15-20 years earlier, when the ISD had no second water charge in place. Had this charge been in effect at the time the homeowners could have made a decision at the time whether to install a 2nd curb stop or stub the water line to the outbuilding through the main residence metered line.

Jim suggested an opt-in/opt out for the 2nd curb stop, giving the homeowner a one-time opportunity either to opt-in (pay the 2nd maintenance charge and having the ISD being responsible for any repairs) or opt-out, where the homeowner would be responsible for any repair, but not be charged the 2nd water maintenance charge.

Jim said that in his view that for equity and fairness for those very few homeowners (3) who made their decision many years prior, based on the facts at the time, there needed to be reconsideration of the decision.

Fred Hibbert commented that he felt that a reconsideration would be very fair and that he'd take the risk rather than pay for an annual additional water charge that would continue on into the future. He added that in his case, the connections are copper, the guesthouse isn't used very much, it doesn't use much water, and all water usage had been reported.

Warren Machol stated that when he was building the barn, the board at the time knew and encouraged the 2nd curb stop, as it was a shorter distance from his barn to the curb stop than running a line from the house. Warren said since there was no policy prior to 2017 regarding the 2nd curb stop, that the 3 homeowners should be grandfathered. Regarding the opt-in/opt-out idea, Warren felt that since he was asked to put in the 2nd curb stop 18 years ago, he should not now be asked to either opt-in or opt-out given its retroactive nature. Warren added that it was actually more expensive for him to put in the 2nd curb stop for the barn than running a line from his house, as he had to talk to his adjacent neighbor, had to bring in backhoe as he already had the barn foundation in, but he did it as the Board asked him to do it.

Warren also said there was another risk that should be considered and that is the type of pipe to the street, i.e. galvanized, copper or plastic. While Fred had copper connections to his guesthouse, Warren has copper to his house and plastic to his barn, all of which have greater lives than galvanized. He added that his 1-inch plastic pipe services water usage of only 5-8,000 gallons a year in the barn. Additionally the distance from the barn hook-up to the curb stop is no more than 2-feet and that's why he was told there would be less risk than running a line from his house.

Warren further stated that given the material difference in useful lives, homeowners with galvanized from their home to the curb stop, and from the curb stop to the main line, should in reality be paying a proportionally higher water maintenance charge, given the greater likelihood of line deterioration and leakage, compared to copper or plastic.

Jim asked Fred for his recollection at the time he built his guest house, and he said that the copper line from the guest house to the curb stop cost \$5166, which was about the same to dig a 120 foot trench from the house and put a line in from the house. Since it was about the same cost, except for the additional tap fee, and there was no additional separate annual maintenance fee, in his view, that was the way to

go. Back then no one knew that at the time and the District didn't have a policy. Fred felt that there is some reason to believe that the district should put money in a pool from the \$475 and when taps need to be replaced, as the galvanized ones surely will, that pool of money is used pay for the ones that go. Fred felt that 18 years ago, by putting in copper, he did it right, and he's willing to pay for it if he has to opt-in/opt-out. Alternatively, perhaps everyone who has galvanized line from the main to the curb stop should pay for it themselves if something goes wrong. Kurt said that if a line is galvanized and there's a leak from the house up to the, but not including the curb stop, it is the home-owners responsibility, but if it's from the main line to and including the curb stop it's the districts responsibility.

Kurt suggested that we table this discussion as we're applying for a master plan study from the Wyoming Water Development Commission (WWDC) and if our application is accepted, they'll be doing a soup-to-nuts evaluation of our entire system, and provide guidance on our water charges, and readiness to serve fees. Jim said that as this issue only involves three homeowners, and that there's no need to wait a year or two, for the WWDC's Master Plan to get finished. When it's completed and they provide their comments on water rates and maintenance charges, we can bring up the issue of these three additional curb stops and see what they say. If they say, we should be charging, we can address that at the time and have the WWDC's report as guidance, but until then, since it affects so few people who made a decision 18 years ago, we should refund the \$475 for the current year, and going forward for the second curb stop, until we hear otherwise.

Latham felt that very simply, the 3 homeowners should be grandfathered, as these curb stops were put in a long time ago, prior to and in the absence of any policy. Had the policy being in place back then, they may well have made a different decision. Latham also said that if someone opts out, and there's a problem, the ISD still has to fix it. Also since only 3 homeowners are involved it's not going to materially impact the budget. If the study comes back and says we have to handle things differently we can deal with it at the time.

Arne Jorgensen supported Latham's suggestion of grandfathering the three but on a go-forward basis, people who wanted a separate hook-up, know about it, and can make a decision accordingly.

Latham made a motion to grandfather Lot #'s 3-12, 3-20 and 3-22, that historically had two curb stops and that the ISD refund the \$475 to each of the 3 homeowners, for the second water maintenance charge that has been included in their property taxes for this fiscal year. Jim seconded the motion. The motion passed, 2-1, with Kurt opposing. Kurt said that we should revisit this when we get the report from the WWDC, if our application is accepted.

20. Adjournment

There being no other business, Kurt adjourned the board meeting at 7:03 pm.

Next board meeting- Thursday, January 17, 2019 (third Thursday) Jackson Hole Grocer Community room (upstairs).

Respectfully submitted:

Jim Lewis
Secretary

Kurt Harland
Board Chair

Latham Jenkins
Vice Chair