

# SKYLINE RANCH IMPROVEMENT AND SERVICE DISTRICT MINUTES OF MEETING

October 13, 2016

A public meeting of the Directors of the Skyline Ranch Improvement and Service District was held on October 13, 2016, at 5:30 p.m. at the office of Nelson Engineering in Jackson, Wyoming.

The following Directors, constituting a quorum, were present: Kurt Harland, Bob Norton, and Renée Glick. Homeowners also in attendance were: Warren Machol, Arne Johanson, Jenny Karns, and Jim Lewis.

Kurt served as Chairman, Bob served as Vice-Chairman, and Renée served as Treasurer.

Kurt called the meeting to order.

Kurt made a motion to approve the September minutes. Bob seconded the motion and the minutes were approved.

The Board reviewed the October Treasurer's Report, and the September bills. Bob made a motion to approve the Treasurer's Report and payment for the bills excluding the Nelson Engineering bill. Kurt seconded the motion. Kurt made a motion to approve payment for the Nelson Engineering bill. Renée seconded the motion, Bob abstained from vote, and the Treasurer's Report and bills were approved.

Kurt informed the Board that he will follow up with the Teton County Weed and Pest reimbursement request due 10/21/16.

The Board discussed the entrance remodel cost as requested by Jim Lewis. The Board reviewed a spreadsheet submitted by Jim with preliminary numbers outlining income, expense, and balances for Skyline from the past 3 years. Warren also submitted, at the meeting, a spreadsheet with his preliminary numbers summarizing the account balances for the past 3 years. The preliminary review of the entrance remodel cost is estimated at \$17,885.00, however a couple of the invoices may have had charges to other Skyline projects. Carly will locate the voucher files for the time period and get them to Jim Lewis to review.

Carly submitted to the Board a returned certified letter addressed to Warren Machol. As Warren was in attendance, Bob handed the letter to Warren stating that its content is a water shut off notice if payment is not received within 90 days of the dated letter. He also stated that the letter requests a picture of his water meter showing a current water meter reading. Bob reminded Warren that homeowners are responsible for payment on their water bills. Warren stated that he was out of town.

Carly had to leave the meeting early and Jim continued the minutes.

## **Agenda item #7- ARC Minutes & Report**

Jenny Karns presented to the Board the Minutes of ARC's first meeting held on October 3, 2016. The Committee agreed to recommend the following:

### **1. Initial terms:**

Carol Linton- one year  
Jim Knoke- one year  
Chris Thulin- two years  
Jenny Karns- three years  
Ann Willot- four years

2. The Committee reviewed Jim Knoke's architectural plans for a guest house which he presented, then recused himself from the meeting. After full consideration of the criteria outlined in the ARC committee minutes, the plans were unanimously recommended by the 4 remaining members. Jim Knoke recused himself. The recommendation was subject to a site visit.

3. In an email delivered to the Board on October 4<sup>th</sup> along with the minutes, the ARC committee also sought clarification on the following:

- a. Is the ARC Committee the Site Committee, or an appointed advisory committee (ARC) to the Site Committee (i.e. the Board). Subject to clarification, the assumption is the latter
- b. The ARC would like to see a State of Wyoming statute that defines that the ISD Board can act in both a Site Committee and ISD Board capacity. A legal opinion from ISD counsel was requested to verify this.
- c. The ARC requested that the committee members be covered by the ISD's director and officer liability policy, either as it's own entity, or as an addendum to the ISD's current policy.

Bob Norton recommended that the board, acting as the Site Committee, accept the ARC's recommendation to approve Jim Knoke's plans and made a motion to this effect. Kurt seconded. There being no other public or Site committee comment, Bob, Kurt and Renee voted in favor of the motion.

Bob Norton also recommended that the Site Committee, accept the ARC's initial term limit recommendations and made a motion to that effect. Kurt seconded and there being no public or board comment, Bob, Kurt and Renee voted in favor of the motion.

With reference to ARC questions a-c above Bob Norton provided the following clarification:

Regarding "a & b" above, Bob stated that a few years ago, the last remaining member of the Site Committee turned over role and responsibility of the Site Committee to then elected Board. As such, the ARC is an a subset of the Site Committee, much like the County and Town Planning Commissions make recommendations to the County Commissioners and Town Counselors.

Similarly, the ARC would make recommendations to the Site Committee, which remains the elected board. In this manner, there's a built in appeal process to this structure.

Regarding "c" above, Bob agreed that liability coverage for the ARC committee members was a reasonable request and that it could be included in our existing policy but the Board should contact the insurance company about that.

The ARC also suggested that if the committee were an advisory committee, then all neighbor complaints regarding CCR issues would be directed to the Site Committee to handle. Bob's view was that, like with architectural plans, the ARC would still receive CCR complaints, investigate, do the due diligence and make a recommendation to the Site Committee for approval. The Board would then, as necessary, write the letters for enforcement of the decision.

Jim Lewis asked if during the last two years, there have been Site Committee meetings, have all these meetings been held in public session. Bob confirmed that all were and in the minutes.

Jenny Karns stated that a neighbor mentioned to her that she hadn't heard anything from the Board who were chosen for the committee. Bob agreed that this information should be posted on the website along with the terms of the Committee members. **Action: Bob Norton/Carly Schupman**

#### **Agenda item #6- Yield sign at entrance and painted stop line at NW Ridge Road**

The Board discussed the current signage on Killdeer, NW Ridge and at the entrance with Mallard and various pros and cons taking into consideration right of way and line of sight. After discussion of various options, including public comment from Jenny Karns, Warren Machol, and Arne Jorgenson, Kurt made a motion to purchase 2 stop signs, with one to be placed at the SW corner of NW Ridge Road where it intersects Killdeer, with the current yield sign on the east side of Killdeer being removed. The 2<sup>nd</sup> stop sign would be placed at the entrance road off of 22, at the intersection with Mallard. The current yield sign on the island would be removed. Renee seconded the motion. Kurt and Renee voted in favor of the motion, Bob opposed.

**Action: Bob Norton**

**Agenda item #8- Machol certified letter return (moved up on the agenda while Carly was taking minutes)**

#### **Agenda item #9- Reserve account and water billing**

Warren Machol presented a 4-page spreadsheet analysis to the Directors as the basis for a lengthy discussion of the sources and uses of funds for the improvement district and resulted in a formal request for detailed information (listed below), from the ISD. The three years of monthly data in the spreadsheet was compiled by Jim Lewis from the monthly Treasury reports taken from the website.

It should be noted that while the income breakdown is correct the expenses are best estimate, which will be further refined when Jim Lewis reviews the invoice/voucher files for fiscal years 2013-2016 which is targeted for November. It should also be noted that a column in the spreadsheet captures certain "one-off" projects for each year, which will also be reviewed for accuracy in November.

Lengthy discussion followed, but Warren's principal points were:

- 1) There appears to be a shortfall in the water and road accounts based on the Summary page. Warren stated that reserve accounts should be fully funded for the purposes collected not reallocated between accounts.
- 2) The annual expenses of the water operation did not materially change over the 3 year period, after adjusting for one-off's, about \$16,000 per year. Warren stated that this brings into question the rationale and actions of the board in raising the marginal water rates by 57%.
- 3) Electric rates (Lower Valley rate schedule submitted to board and copy attached for minutes) had increased by about 18% over the 3 year period, while our actual Lower Valley electric cost decreased by \$1180 during the 3-year period.
- 4) Warren asked for the supporting analysis of water costs that the board used to raise the water rates last time.

Warren officially asked the Board to provide the following:

- 1) That the board reconcile the reserve funds consistent with the excess revenue collected from each category (Road (property tax) and water revenue)
- 2) Water data in aggregate and on a lot-by-lot basis for the last 5 years,
  - includes water used (in gallons)
  - amounts billed for each lot
  - aggregate information, water meter reading at pump.

Bob raised the point that there was a way to back into this information on an annual basis using aggregate annual data and divide by the number of lots being served, after taking into account the \$25/mo for each of the 79-80 lots. But Bob noted that since people don't all pay at the same time, the data could be different year to year. Arne Johanson replied that this lumpiness would be evened out over multiple years and provide a big picture look at billings and usage. One observation out of this discussion was that vacant lots, which have not been built upon, do not pay the fixed fee of \$300 per year, and are thereby benefiting from the years of investment in the water system. Bob said this was decided upon 25 years ago, but could certainly change if the Board determined.

Bob also said that that there was an advertisement regarding the public hearing for the 17% water rate increase and that there was a debate about whether it should be on the fixed base or user fee and the decision was the later. Kurt recollected that at the time, and looking at the water usage

that the increase was based on both increasing reserves and to encourage conservation. The build up in reserves overtime was important so as to avoid a large special assessment if/when we needed a new well and pump replacement.

Jim Lewis said that the analytics used to support the decision would also be important as it could be used as a template when the board looks at this again in the future.

Bob said that there shouldn't be a problem providing the water meter reading, but didn't know about the dollars collected, but would check with Carly.

Warren asked that the information requested be provided in one month (November 14), ideally in electronic/excel form so that he can do some basic analysis.

In the course of this discussion the pump house at the entrance was discussed, and it is being exclusively used primarily as storage of road signs and old ISD files. The pump in the pump house cannot be used for back up water purposes as it is not connected. Additionally, the water quality does not meet current EPA standards.

**Action: Bob Norton/Carly to provide requested information- November 14**

**Agenda item #10- ISD regulations (This was moved up earlier in the agenda)**

Jim Lewis asked that this be placed on the agenda for general information. Jim had a meeting with Paul Vogelheim, County Commissioner, who is also on the statewide task force on special districts. All special districts in the county will be hearing more about this but basically there is the intent to help insure greater conformity in how special districts are governed and greater financial and operating discipline in full conformity with Wyoming laws.

**Agenda item # 11- SOP, contingency plan, or fatal flaw analysis**

This agenda item was at the request of Jim Lewis, specifically does the ISD have a written Standard Operating Procedure (SOP) and contingency plan in the event of water system problems. Bob stated that we do not, but that we rely on Clearwater Operations LLC, to handle our water issues, as they may arise. Bob further stated that it would behoove the new Board to invite Clearwater to one of our Board and explain what they do for the ISD.

**Action: Board to invite Clearwater to an upcoming board meeting**

**Agenda item # 12- GTPM outline of cost to take over the ISD administration**

Following Carly's initial desire to turn over the administration responsibilities, Kurt talked with Grand Teton Property Management about an estimated cost of taking over the ISD administration. GTPM indicated \$2,500/month. After discussion, it was decided that Kurt and Bob would talk with Carly to determine if she would be willing to remain. Jim Lewis mentioned that he had talked with Carly and taking the minutes were a very time consuming effort and her main focus, originally, had been managing the books and paying bills, which is what she

preferred. The longer board meetings are also an issue. Jim mentioned that he would volunteer to do the minutes, and perhaps with Renee on a rotating basis, with others, this task could be removed from Carly's shoulders. Public comment from Warren and Arne supported the Board's desire to retain Carly's services.

**Action: Kurt Harland and Bob Norton**

**Agenda item #13-Chapman water meters**

Renee advised the Board that the Chapman's have started their sprinkler system. and there is a photo of the meter, and the last meter reading, in the file. Additionally Renee mentioned that there appears to be some workers cars that have been parked in front of the large garage for days, without moving. Kurt said he'd call Tom Chapman.

**Action: Kurt Harland**

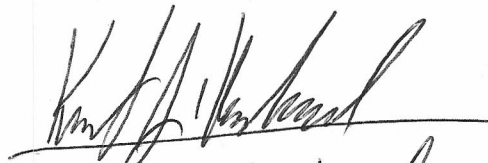
**Agenda item #14- New meeting location**

As Bob is leaving the board, a new meeting location is needed and Kurt kindly offered the offices of Berkshire Hathaway/Brokers of Jackson Hole Real Estate at ~~140~~ N. Cache St. The homeowners will need to be advised of the changed location. *138 N.*

**Action: Kurt Harland**

As there was no further business to discuss, the meeting was adjourned at 8:30pm.

  
Board Member

  
Kurt J. Harland