

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING**

June 8, 2017

A public meeting of the Directors of the Skyline Improvement and Service District was held on June 8, 2017, at 4:00 pm at the office of Berkshire Hathaway in Jackson, Wyoming.

The following Directors, constituting a quorum, were present: Kurt Harland, Latham Jenkins and Jim Lewis. ISD bookkeeper Carly Schupman also attended. Homeowners Bill Racow, Tracy Jacobsen, Angela McGrath and Renee Glick were also present.

Kurt served as Chairman, Latham served as Vice-Chairman and Jim as Treasurer/Secretary.

Kurt called the meeting to order at 4:00 pm.

1. Changes to the Agenda

Jim requested that the following two items be added to the agenda under #11:

- #10a. Approve Carly's contract for the next fiscal year, with an amendment.
- #10b. Approve a curb-stop mapping project conducted by our water operator, Clearwater.

2. Approval of 5-11-17 regular board-meeting minutes

Kurt made a motion to approve the minutes. Latham seconded. The motion passed unanimously.

3. Approval of 5-24-17 special board-meeting minutes.

Kurt made a motion to approve these minutes. Latham seconded. The motion passed unanimously.

4. Review Treasurer's Report, pay bills, A/R's/meter photos

The Board reviewed the Treasurer's Report dated 6/9/17. The June expenses totaling \$14,749.90 were submitted, and approved, for payment. The reserves as of 6/9/17 totaled \$352,414.91, which was broken down as follows:

- Road Reserve: \$ 24,522.56
- Water Reserve: \$291,922.54 (excluding accrued interest)
- Operating a/c: \$ 35,869.45
- Checking a/c: \$ 100.00

In order not to exceed our amended budgeted expenses Carly said that Jim and she opted to defer the reimbursable expense to Latham until July, as well as \$1,000 of

the large invoice from Trees Inc. The pressure on expenses was primarily due to the unplanned two sweepings done by Trees Inc. due to the excessive amounts of loose gravel on the road. Kurt said that he'd call Trees Inc. and inform them of the one-month deferral in payment.

As the bank statements weren't available until the board meeting, Carly hadn't yet reconciled the accounts to the bank statements.

The Board reviewed the accounts receivables over 90 days, and everything is in good shape. Regarding meter photos, there are only about 3 outstanding. Jim will continue to follow-up.

Kurt made the motion to approve the treasurer's report and approve the expenses to be paid in May. Jim seconded the motion and the motion passed unanimously (3-0).

5. Review FY budget vs. 11-month June YTD actual and FY approved amended budget.

Based on the deferral of two expense items mentioned above, the District is in compliance with its amended budgeted expenses.

6. Approve amendment to April 12, 1990 board resolution to identify lots 42 and 43, beginning in FY2017-18 as being in the East Skyline Assessment Area (currently West)

Jim presented a large plat map of the first filing which highlighted, after checking the property tax rolls, the 37 lots which historically, going back to 1990, have been identified as being in the East Skyline Assessment Area. Surprisingly, lots 42 (Hemmings) and 43 (Goodson), immediately to the right of the entrance, have been considered in the West Assessment Area, which has received higher road assessments. In checking with Bob Norton, Bob said that it was a battle at the time to reach agreement on the appropriate split of the road improvement costs at the time, and the compromise was to include lots 42 and 43 in the West, thereby allocating a greater percentage of the road costs to the West. Bob also provided copies of the April 12, 1990 resolutions, which confirmed the status with these two lots.

After discussion, Kurt made a motion to amend the April 12, 1990 board resolution and beginning with FY 2017-18, identify lots 42 and 43 as being in the East Skyline Assessment Area, whereas currently they are in the West. Latham seconded the motion. With no further board or public comment, the motion was unanimously approved 3-0.

7. Consider/approve road assessment and base water rate policy for combined lots.

Jim said that there is only one combined lot in Skyline (lot 15-16), which is in the east assessment area, and his initial thinking was that for assessment purposes, this combined lot should be treated as if an owner owned two lots, but chose not to combine them. In talking to the District's counsel, Paul D'Amours, he stated that if the owner had vacated the property line on county records, and in effect has given up his development rights to the "adjacent" property, then it's problematic that the District could charge twice. Based on Paul's input, which was received subsequent to the agenda going out, Jim felt that we couldn't assess lot 15-16 for an additional road or base water rate assessment. Jim said, that the question he didn't ask Paul was whether on a going forward basis, we could pass a board resolution dealing with the assessments on any lots that would be combined in the future.

There was consensus to address this in the next fiscal year, but for the time being, the matter was tabled.

8. Consider/approve obtaining a survey for the lower pump house.

Kurt explained that it has come to his attention that our access to the lower pump house is via an un-granted easement, and with the help of Mr. Parker, the district would like to have a survey conducted to clearly know where the boundaries are, improve that access to the pump house so that we're compliant with our easement. Kurt made a motion to conduct a survey of the lower pump house, not to exceed \$1,000. Jim seconded. Latham raised a question about our current access point. There being no further questions, the motion passed unanimously 3-0.

9. Consider/approve water base charges applicable to ARU's/guest houses that are connected to the District's main line & metered.

Jim spoke of the distinction between ARU/guesthouses which are connected to the district's main line, and metered, such as the Glick's, and those that are connected to the main home's water line (Knoke's). Since the former example has two connections to the main (principal home and the ARU), it would have two water base charges, plus the metered rate for both. In the latter, as there is only one connection to the main, it would have one water base charge, plus it's metered usage rate. Again, in the latter case, all water going to the ARU is going thru the main homes meter, so the information is being captured. The Hibbert's is another homeowner who has two connections to the main and two meters, as they've sent in two separate meter photos.

Kurt made a motion to approve separate base charges ARU's and guesthouses that have separate hookup's and meters (separate from the main house) to the District's main water line, i.e. "one hook-up, one base charge; two hook-up's, two base charges. Latham seconded the motion. After public questions, and no further board comment, the motion carried unanimously, 3-0.

10. Consider/Approve road assessment charges for ARU's/guesthouses.

Kurt introduced the item by stating that this followed the same logic, i.e. having a separate ARU or guesthouse and he made a motion to approve separate road assessment charges for ARU's and guesthouses. Jim seconded. Board discussion followed. Jim said he had a problem with charging a road assessment for an ARU or guesthouse that's not used, or infrequently for guests, as opposed to those that are rented to separate family, as there is greater road usage with the latter. Kurt responded that according to his understanding of our CCR's, if there is an extra benefit to the homeowner, there can be an additional assessment, and an extra ARU/guesthouse on a property is additional potential habitable space. Similar to an ARU/guesthouse having a separate hookup and meter, whether it's rented or not, it would be assessed the separate base fee. Kurt felt we have to be very careful about considering assessments based on usage. Latham asked how many ARU/guesthouses we currently have. There was discussion about possibly considering two assessments if there are two accesses to to a property and ARU, vs. one shared access. Then the question was discussed about whether the homeowner was benefiting from a guesthouse if he wasn't renting it, i.e. just using it as storage. In that case there would be no additional "road use". Kurt felt that if it were habitable space, whether rented or not, was the determining factor for the assessment. Latham recommended that we table the matter for further study. After discussion it was decided to remove the 1 ARU from the FY 2017-18, budget for the road assessment and take this next year to document all ARU/guesthouses in Skyline.

The directors discussed what should be the appropriate level of road reserves to budget in order to address unplanned road patching, caused by water line breaks, which can occur once or twice a year, at a repair cost of \$5,000 each. The board also discussed not making a differentiation between east and west, in terms in assessments, similar to the water base charges. Kurt said we should look at ourselves as one community and remove the differences between east and west. Public comment supported a common assessment amount. Kurt made a motion to go to a flat homogeneous assessment for all homeowners, based on the budgeted annual road assessment for maintenance as well as the road assessment for overlay. Jim seconded. With no further public or board comment, the motion carried unanimously, 3-0.

10a. Approve Carly's contract for FY 2017-18 with amendment.

Carly send the directors her draft contract for FY 2017-18. Jim wanted the term to be from July 1, 2017 to July 31, 2018 (13 months), in other to get through the annual budget cycle. Carly agreed to the change. Jim made a motion to approve Carly's contract for 13 months at a monthly charge of \$1,300/month plus \$50/hour for special projects. Kurt seconded. With no further public or board comment the motion passed unanimously.

10b. Approve a curb stop-mapping project conducted by Clearwater Operations.

Kurt made a motion to engage Clearwater to map all curb stops in the subdivision and locate a curb-stop for each property. Jim seconded. With no further board or public comment, the motion passed unanimously. Jim will send Clearwater a letter to this effect.

11. Review final proposed FY 2017-2018 budget

Kurt made a motion to table this item to the June 19th special meeting. Jim seconded. With no public or board comment, the motion carried unanimously, 3-0.

12. Review draft Water Service Policies for FY 2017-18.

Given the decision on ARU's and Kurt made a motion to table this item to the June 19th special meeting. Jim seconded. With no further public or board comment the motion carried unanimously, 3-0.

13. Action plan for speeding complaints on Mallard and NW Ridge roads.

Kurt said that the speed bump on Mallard would be installed in the next few days. Kurt said he'd price another speed bump. An LED blinking radar speed light costs about \$3,000 or more. Latham said that the Gillett's asked if a mirror could be put up. The board discussed the timing and placement of the signs that had already been approved by the past board. Latham volunteered to find a town or county engineer who can help us determine the optimal placement of signs.

Kurt closed the board meeting at 6:35 pm and opened the Site Committee meeting. Kurt reopened the board meeting at 6:50pm following the conclusion of the Site Committee meeting.

14. Action plan for security at front entrance for eclipse.

Jim prepared a draft letter to Bud Hill Security for providing 48 hours of security from 6pm Saturday, August 19 to 6pm Monday, August 21. Kurt made a motion to approve and send the letter. Latham seconded. The motion passed unanimously.

15. Update on follow-up items from May Board.

Kurt- still need follow-up with Fleck.

Latham- ARC's checklist. It was decided to keep the checklist that ARC drafted as it's drafted in a more user-friendly form and it's in compliance with the CCR's.

16. Other business

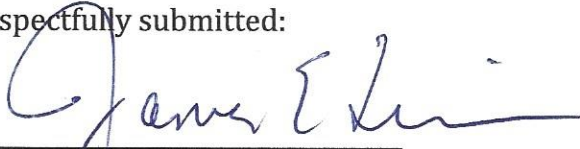
There was no other business.

A special Board meeting will be announced and held on June 19th at 4pm to:

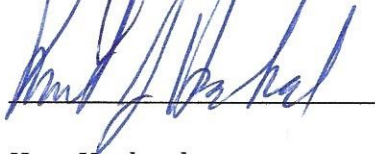
- 1) Review and approve it's intention to approve the FY 2017-18 budget; and
- 2) Review and approve the draft Water Service Policies for FY 2017-18.

The next regular ISD Board meeting will be held on Thursday, July 13th at 4:00pm at the offices of Berkshire Hathaway, at 138 N. Cache Street.
There being no other business, Kurt adjourned the board meeting at 7:05pm.

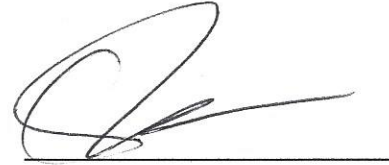
Respectfully submitted:



Jim Lewis Treasurer/Secretary



Kurt Harland
Chairman



Latham Jenkins
Vice-Chairman