

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF THE BOARD MEETING
May 24, 2022**

A public meeting of the Directors of the Skyline Improvement and Service District was held on May 24, 2022 via Zoom.

Kurt Harland, Latham Jenkins and Jim Lewis constituting a quorum were present. Attending were Worthy and Maria Johnson, Mike Minter, Warren Machol, Bob Norton and Wendy Meyring.

1. Call to order

Kurt called the meeting to order at 4:03 p.m.

- 2. Review and approve Board minutes April 21, 2022:** Kurt made a motion to approved the minutes as written. Jim seconded the motion. The motion passed 3-0.

3. Adoption of Agenda

Action: Kurt made a motion to approve the board agenda. Latham seconded and the motion passed 3-0. Warren asked about the discussion of the 2022-2023 Budget; which is to be discussed later in the meeting.

- 4. Public Comment on items not appearing on the agenda:** Worthy Johnson asked about adding a water update to the monthly agenda, as it would be nice to be informed of any issues that have arisen since the last meeting. In addition, Worthy requested that the Skyline establish a rule to require bear proof cans. The Board noted that Teton County has passed a statute requiring bear proof cans, throughout the county as of July 1, 2022.

Maria Johnson noted that the road stripping on NW Ridge Road looks great. She asked if the Board would consider the following signage:

- Reconsider stop sign placement at Killdeer and NW Ridge
- Change yield sign to a stop sign at Tanager
- Add a dead-end sign at Killdeer

Warren Machol agreed the stripping is a huge improvement. Warren emailed a letter to the Board on May 23rd regarding his concerns associated with the ISD. He reiterated his concerns during the Public Comment section of the meeting. The email correspondence is attached to

these minutes.

A letter was mailed to the Frankel's regarding the downed tree. Marshall Frankel has asked the Board about remediation plans in the area where the fall vault work was completed.

5. **Correspondence received:** Emails from Messrs. Machol, attached.
6. **Status of April Meter Readings and Follow-up:** Jim reported that all but 12 of the homeowners have replied to the initial meter reading request. He explained any lots not responding by the date needed by the ISD, would have their usage calculated.
7. **Review 10-months April YTD actuals vs. full year FY 2021-22 budget:** Jim gave a brief report regarding the 10 months of the fiscal year being complete.
8. **Review Treasury Report as of 4/30/2022 and approve invoices for payment:** Jim reported that Skyline deposits in all accounts as of 4/30/22 totaled \$546,103.69 after deducting \$22,500.00 of refundable deposits. Road reserve \$384,072.92 Water Reserve \$42,072.65.

Jim read the below list of invoices as of 5-24-22:

Nelson Engineering	\$1,249.05
Lower Valley Energy	\$370.15
Westwood Curtis	\$6,497.18
Teton Environmental Health LLC	\$120.00
Clearwater Operations	\$1,550.00
Tegeler & Associates	\$881.00
Idaho Traffic Safety	\$4,240.00
Total	\$14,907.38

Action: Jim made a motion to approve the payment of the invoices totaling \$14,907.38. Kurt seconded the motion, which passed 3-0.

9. **Review and approve initial proposed FY 2022-2023 Budget (see attached):** Jim reviewed the initial proposed budget for the FY 2022-2023, and how this proposed budget impacts rates. Jim noted that the district's attorney is preparing a resolution for the proposed reserve repayment, which is part of the funding of the upcoming projects, as

noted in the initial proposed budget. Kurt made a motion to approve the initial proposed budget. Latham seconded and the motion passed 3-0.

SKYLINE IMPROVEMENT & SERVICE DISTRICT
2022-2023 Budget (page 1 of 2)

<u>Acct. No.</u>	<u>Owner REVENUES</u>	<u>ROAD</u>	<u>WATER</u>	<u>TOTAL</u>
5110	Road Maintenance Assessment	42,000		42,000
5120	Road Overlay Assessment	44,000		44,000
5112	Road Chipseal Assessment	26,000		26,000
5111	Road Overhead Assessment	7,385		7,385
	Water Assessment - SLIB Loan Repayment - 20Yr		7,250	7,250
	Water Assessment - Road Reserve Loan Repayment 5Yr		11,790	11,790
5135	Water Maintenance Assessment		26,656	26,656
5125	Water System User Fees		60,961	60,961
	Prior Year Adjustment		1,792	1,792
5137	Water Overhead Assessment		38,135	38,135
	TOTAL OWNER REVENUES	\$ 119,385	\$ 146,583	\$ 265,968
	Other Income			
5100	Interest Income	418.90	171.10	590.00
	Loan from Road Reserve	-	58,750.00	58,750.00
	WWDC Well #4 Exploration Grant		176,250.00	176,250.00
	SLIB radio-read Meter Loan		145,000	145,000
	TOTAL Other REVENUES	\$ 419	\$ 380,171	\$ 380,590
	TOTAL Combined REVENUES	\$ 119,804	\$ 526,755	\$ 646,558
	EXPENSES			
6149	Advertising	\$ 300	\$ 700	\$ 1,000
6040	Bonding	85	85	170
6041	Clerical Contract Services	5,400	21,600	27,000
6120	Contract Labor	7,000	-	7,000
6121	Water Contingency	-	7,000	7,000
	Water - Easement Purchase Well #4		8,000	8,000
6127	Insurance - Board of Directors	750	750	1,500
6128	Insurance - Equipment	-	1,650	1,650
6148	Office Supplies	250	350	600
6044	Professional Fees	-	5,000	5,000
6133	Repair & maintenance	-	37,400	37,400
6126	Road Overlay	30,249	-	30,249
6126.2	Road Chipseal	16,288	-	16,288
6207	Snow Removal	35,000	-	35,000
6220	Utilities	300	4,200	4,500
	Well #4		235,200	235,200
	Radio-Read Meters		145,000	145,000
	Water-Loan Repayment - 20 Yrs SLIB Water Meters		7,250	7,250
	Water-Loan Repayment - 5 Yrs Road Reserve Well#4 borrowing		11,790	11,790
6119	Water Operations	-	7,200	7,200
6221	Water Testing Expense	-	500	500
6219	Water Leak Detection	-	-	-
6043	Website Administration	300	300	600
	TOTAL CASH EXPENSES	\$ 95,922	\$ 493,975	\$ 589,897
	TOTAL CASH DISBURSEMENTS	95,922	493,975	589,897
6122	Depreciation	23,463	11,656	35,119
	TOTAL EXPENSES	\$ 119,385	\$ 505,631	\$ 625,016
	Budgeted Cash Receipts in Excess of Expenses	\$ 419	\$ 21,124	\$ 21,542
	Proposed Transfer from Water Reserve - **		-	-
	Total Approved Transfers		-	-
	NET BUDGETED INCREASE/(DECREASE) in CASH	\$ 419	\$ 21,124	\$ 21,542

SKYLINE IMPROVEMENT & SERVICE DISTRICT
2021-2022 Budget (page 2 of 2)

PROPERTY ASSESSMENTS:

<u>Road Maintenance Assessment*</u>					
5110	West Sub District 48 lots (64.30%)	\$	562.63	27,006	Note (1)
5110	East Sub District 42 lots (35.70%)		357.00	14,994	
				42,000	
<u>Road Overlay Assessment*</u>					
5120	West Sub District 48 lots		589.42	28,292	Note (1)
5120	East Sub District 42 lots		374.00	15,708	
				44,000	
<u>Road Chipseal Assessment</u>					
	West Sub District 48 lots		348.29	16,718	Note (1)
	East Sub District 42 lots		221.00	9,282	
				26,000	
<u>Road Overhead</u>					
	West Sub District 48 lots		82.06	3,939	Note (1)
	East Sub District 42 lots		82.06	3,446	
				7,385	
<u>Water Maintenance Assessment*</u>					
5135	4 land lots + 86 Homes + 1 ARU		292.92	26,656	Note (1)
<u>Water Overhead</u>					
	4 land lots + 86 Homes + 1 ARU		419.07	38,135	Note (1)
<u>Water Loan Repayments</u>					
	86 Lots SLIB Loan - 20Yrs		84.30	7,250	Note (1)
	90 Lots Road Reserve Well#4 Borrowing 5Yrs		131.00	11,790	Note (1)

Kurt Harland, Chairman

Latham Jenkins, Vice-Chairman

James Lewis, Secretary/Treasurer

Note 1 Lots 15 & 16 are one lot (vacated lotline)

Interest Income is allocated based on relative ending bank balances - 29% Water

Road assessments are based on the relative # of miles of subdivision roads. 64.3% of the total Skyline roads are in the West Sub District

Road Overhead, is split evenly across all homeowners due to being administrative in nature.

Water maintenance and overhead costs are spread evenly to each lot.

4 land lots + 86 Homes + 1 ARU

Water Usage Rate & Skyline Road and Water Assessments- FY 2021-2022 and proposed FY 2022-23

		FY 2021-22	FY2022-23	
Water rate per 1000 gal.		\$ 1.70	\$2.60	
Road Maintenance				
	West	\$ 502.34	\$ 562.63	
	East	\$ 318.75	\$ 357.00	
Road Overlay				
	West	\$ 549.23	\$ 589.42	
	East	\$ 348.50	\$ 374.00	
Road chipseal				
	West	\$ 308.10	\$ 348.29	
	East	\$ 195.50	\$ 221.00	
Road Overhead				
	West	\$ 74.00	\$ 82.06	
	East	\$ 74.00	\$ 82.06	
Subtotal Roads				
	West	\$ 1,433.67	\$ 1,582.40	\$ 148.73
	East	\$ 936.75	\$ 1,034.06	\$ 97.31
Water Maintenance		\$ 270.95	\$ 292.92	\$ 22.58
Water Overhead		\$ 348.46	\$ 419.07	\$ 70.61
Subtotal - Water		\$ 619.41	\$ 711.99	\$ 92.58
TOTAL	WEST	\$ 1,433.67	\$ 1,582.40	
		\$ 619.41	\$ 711.99	
West Road & Water		\$ 2,053.08	\$ 2,294.39	\$ 241.31
	Well #4 borr. annual assmt-5 yrs			\$131
	meter loan assmt-20-years			\$84.30
	Total	\$ 2,053.08	\$ 2,509.69	\$ 456.61
	EAST	\$ 936.75	\$ 1,034.06	
		\$ 619.41	\$ 711.99	
East Road & Water		\$ 1,556.16	\$ 1,746.05	\$ 189.89
	Well #4 borr. annual assmt-5 yrs			\$131
	meter loan assmt-20-years			\$84.30
	total	\$ 1,556.16	\$ 1,961.35	\$ 405.19
meters	20-years	86 homes	\$ 84.30	beginning FY 2022
well #4	5-years	90 lots	\$ 131.00	beginning FY 2022

10. Approve opening new First Interstate account dedicated to Exploration Well #4: Jim made a motion to approve the opening of a new First Interstate bank account dedicated to Exploration Well #4 to account for loan fund from the SLIB for the water meters. Kurt seconded and the motion passed 3-0.

11. Next Board Meeting – June 16, 2022; 4 p.m. – 6 p.m. MST

12. Adjournment

Kurt made a motion to adjourn the meeting. Jim seconded the motion, and the motion passed 3-0. The meeting adjourned at 5:48 p.m.

Approved


Kurt J. Harland (Jun 22, 2022 09:58 MDT)

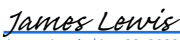
Kurt Harland
Chairman

Approved


Latham Jenkins (Jun 22, 2022 10:10 MDT)

Latham Jenkins
Vice Chair

Approved


James Lewis (Jun 22, 2022 11:35 MDT)

Jim Lewis
Secretary/Treasurer

From: Warren Machol <wlm.assoc@gmail.com>

Sent: Monday, May 23, 2022 6:11 PM

To: Skyline Ranch Improvement & Service District <info@skylineranchisd.com>; Skyline Ranch <office@skylineranchisd.com>; Jim Lewis <jamesl5546@gmail.com>; Kurt J. Harland, Brokers of Jackson Hole Real Estate <kurt@bhhsjacksonhole.com>; Latham Jenkins <latham@livewaterproperties.com>

Subject: Information for discussion on Taxing ISD members 5/24/22

The ISD Board and Concerned ISD Members

Before the last board meeting, I requested via email that sufficient time be allotted to the May board meeting to define and document the Skyline ISD process to Tax ISD Members for the coming year.

I was notified that the May meeting had been rescheduled to May 24th but I have not yet been informed that the requested items will be on the agenda or that sufficient time be allotted. In the same April email, I said I would provide several items to factually document relevant items and topics to facilitate the process of Taxing members of the ISD for the services offered.

In assembling the items for submission, I reviewed the ISD website for relevant documents. I was surprised that the only things I found were policies and "guiding principles" that were short on facts and long on dictate.

To ensure we all have the same facts and historical context, I have provided the following information:

Document Hyperlinks are in **blue bold** and start with **@ sign**.

- 1) **@ - Water Fees and Assessments as per FYE 21 -22 Property Tax Statements**
 - a. Final column lists additional taxes per member by increasing variable water costs to \$2.6/1000, as the Water Study suggests.
- 2) **@ - Analysis of Water Rate study contacted for by the ISD board without RFP or input from members**
 - a. Confidently similarly to the WWDC level 2, board schedule the ISD board requested of Nelson engineering.

- b. **Water Reserves paid for the report (the irony of attempting to shift costs to current water users with the excess money paid in. see#3 below)**

3) Information provided by the ISD in October 2021 after a 6-month legal review.

The net excess extraction from current water users to subsidies fixed costs over the previous five years totals + \$65,956.

- a. [@ -Taxes collected for variable water usage last five years](#)
- b. [@ - Repairs and maintenance costs allocated to variable water users last five years](#)
 - 1. [@ - Detail listing of Repairs and Maintenance allocated to variable water costs. Many are infrastructure, not Repairs or Maintenance.](#)

- c. The calculated variable electricity costs to produce water and power entrance lighting.
Approximately \$4500/year *5 years = \$22,500 for 5 year period

Items a-c above were withheld from members. The ISD board had this information before increasing the variable water costs from \$1.4/ 1000 to \$1.7/1000 last year.

- d. [@ - Emails from ISD office & Board member on delay and Legal Review of request for public information](#)

- 1. ISD board actions to withhold information before setting Tax assessments last year.

4) Skyline ISD basic facts and data

[@ - To assist the ISD Board with the Fair and Accurate Taxation of Skyline ISD members for services provided](#)

- i. What services are provided to what members
- ii. Who receives the benefit of roads and water services?
- iii. Who pays the cost?

I hope the ISD board members will provide ample time to review each document provided at the May 23 meeting or allow sufficient time before allocating costs among members this tax year.

Each Item will help document the ISD board's obligation to allocate costs (taxes) based on what has been paid in the past and what will be received now and in the future from each member fairly and equitably as required by law.

Errors can be forgiven, defended, and corrected when facts are unknown. However, the intent to deceive** when the truth and facts are known (and public) is criminal. The complexity, time, and expense incurred on behalf of members by the ISD board to shift the obligation of fixed costs to current variable water users are both confusing and troubling.

I hope this year's taxation process will be transparent, fair, and equitable.

I look forward to discussing this important subject.

Warren Machol

** overtaxing a minority of ISD members to benefit low and no water using members.

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307 734 1920 (o)

917 455 7470 (c)