

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF THE BOARD MEETING
January 19, 2023**

A public meeting of the Directors of the Skyline Improvement and Service District was held on January 19, 2023, via Zoom.

Kurt Harland, Bob Norton, and Latham Jenkins (joined at 5:20 p.m.) constituting a quorum were present. Attending were John Willot, Michael Minter, Worthy and Maria Johnson, John Goldstein, and Wendy Meyring.

Call to Order:

Kurt Harland called the meeting to order at 4:00 p.m.

1. Review and approve Board minutes of 11-17-2022:

Action: Bob Norton made a motion to approve the revised minutes. Kurt Harland seconded the motion. The minutes passed 2-0.

Public Comment:

Warren Machol thanked the Board for revising the minutes to reflect his comments more closely.

2. Review and approve Board minutes of 12-15-2022

Action: Bob Norton made a motion to approve the December 15, 2022, minutes. Kurt Harland seconded the motion. The motion was tabled until the February 16, 2023, meeting. The minutes will be revised to correct the board members in attendance and concerns noted in the Public Comment.

Public Comment:

Maria Johnson – Recommended that the minutes be read more carefully before they are distributed for community review.

Warren Machol – Noted several areas where comments associated to him should be revised.

3. Changes to agenda:

Action: Bob Norton requested the addition of approval of Change Order #1 for the for the well drilling project. This item will be added as 13a.

Public Comment:

John Willot – Proposed moving agenda items 10-13 to after item 6, due to the needed discussion.

4. Adoption of agenda:

Action: Kurt Harland made a motion to approve the agenda with the addition of item 13a. Bob Norton seconded the motion. The motion passed 2-0.

5. Public comment on items not appearing on the agenda:

John Willot – Submitted questions prior to the November meeting. Warren Machol brought up this submission during the December meeting in John's absence. It has now been a full 60 days since this initial request for answers was submitted. Will the Board be responding to this request?

Warren Machol – Noted, the facts as the Board has portrayed them, including in Latham's letter to the community, is the context of John's questions. Those questions are the reason and need to hold a Town Hall meeting where the Board tells us what the true facts are. If the Board is now saying that

none of the things Latham said are true and correct, and not the basis of decisions that have been made, he would like the Board to confirm that. The Board should be responsive to John's request to help dispel incorrect information Latham said and allow us to focus on the true facts of our water system.

Warren Machol – Raised his hand, as he has for the past five months, to get details of the money that was incorrectly spent to maintain easements. This also has been ignored by the Board and has set a terrible precedent about the responsibility of individual homeowners to neglect their road easement and expect to have the citizens of the community pay for this effort. Historically, the district has not trimmed grasses or trees on individual properties. He again requests details of how the money was spent and the authority it was spent under, given the restriction of spending money on the road pursuant to Rules & Regulations.

John Willot – Latham stated in his letter, to the community, that our demand for water is currently outpacing our present ability to deliver water. The water demand will only increase with new homes, larger homes, remodels, and additional accessory units. Where in the WWDC can he prove that? We have never failed to be able to deliver water, and yet we have built a number of new homes and remodels over the last ten years. We have good data and have never fallen short of being able to deliver water. Regarding the meters, the letter states that the WWDC noted the replacement of the meters is of high importance. If you go into pages 40 and 41 of the WWDC, Josh Kilpatrick talks about 20-year-old meters may be bad and typically need to be replaced. Rather than identifying what meters need to be replaced because they are not reading properly, we decide to do them all. The last sentence on page 41, "is interesting, the Skyline Ranch Board has indicated the replacement of existing residential meters should be a high priority for the streamlining of meter reading collection, billing and shoring up the unaccounted-for water usage". So, the comment in the WWDC about the importance of meters is that the Board wants it. There are no facts as to what and exactly why we need new meters. This is why he would like answers to the questions in his letter.

6. Correspondence received by the District office (below):

Keith Johnson – December 16, 2022
Warren Machol – December 17, 2022
MaryBeth Oatsvall – January 6, 2023
Warren Machol – January 13, 2023
John Willot – January 15, 2023
John Willot – January 15, 2023
Warren Machol – January 15, 2023
Worthy Johnson – January 17, 2023
Worthy Johnson – January 19, 2023

7. Review 6-month November actuals vs. full year FY 2022-2023 final budget, recommended budget adjustment:

Action: Bob Norton made a motion to transfer \$7,400.00 from the Repair & Maintenance expense (account 6133) to Professional Fees (account 6044) and \$471.00 from the Water Contingency expense (account 6121) to Water Testing expense (account 6221). Kurt Harland seconded the motion. The motion passed 2-0.

Board Comment:

Bob Norton reviewed the 6-month actuals vs. the full year budget. He pointed out that the revenue is coming in at about 50%, which is expected. There was a large deposit in January for those owners that paid their taxes in December. So, the January revenues will show an increase greater than the 7-month average. In the expenses, Bob had previously noted that the Professional Fees are excess as well as the Water Testing. He recommends two proposals to transfer \$7,400.00 from the Repair & Maintenance expense (account 6133) to Professional Fees (account 6044) and \$471.00 from the Water Contingency expense (account 6121) to Water Testing expense (account 6221). Provisions in the State requirements note we cannot change the overall budget without an amendment. But we can change line items as necessary. He noted that it is necessary to bring these line items in budget, and we have the funds to do so.

Public Comment:

John Willot – Asked Bob Norton to comment on what is causing the Professional Fees and the Water Testing line items to be over budget. John requested the copies of the unpaid bills be available for review.

Board Comment:

Bob Norton noted that copies of the invoices associated with the well and water meter projects can be included with the monthly financials that are posted on the website prior to each monthly meeting.

Warren Machol – Noted that the fact we went over budget on water testing is a thing that we don't want to skimp on. The Professional Fees noted were for answering questions, are there any of these costs associated with the district acquiring an easement for Well #4? Warren also asked if the Repair and Maintenance expense is one of the charges that is paid by variable revenue in the budget. He mentioned this in relation to water rates continuing to go up. Costs associated with line items like the Professional Fees should be paid equally by all 90 lots.

Board Comment:

Bob Norton also reviewed the Well #4 and Water Meter projects year to date expenses and noted that the WWDC does not contribute for the acquisition of the easement. The legal work associated with the well easement accounts for approximately \$1,900.00 of the \$8,000.00 budgeted.

The \$7,400.00 was budgeted to replace a fire hydrant. In speaking with the water operator, this hydrant is not needed for flushing the system and is not a necessity. Therefore, it is \$7,400.00 that we don't need to spend out of the \$37,400 budgeted in the Repair and Maintenance Expense (account 6133). Bob noted that funds are only paid out of the Repair and Maintenance line item in the event of leaks or other similar repairs.

Bob indicated he was not able to confirm that the funds allocated to the Repairs & Maintenance line item are variable regarding how the fees are calculated. Bob noted that he understands where Warren is coming from in his question but doesn't agree with him. However, this will be considered during the next budgeting process.

John Willot – Asked if the \$8,000.00 for the easement acquisition has been expended. If not, when would this amount be expended? How do the loans work?

Board Comment:

Bob Norton noted that no expenditures have been made toward the easement at this time. There is a temporary easement in place until the well is drilled. At which time the permanent easement will be finalized. No fees are paid out for the temporary easement. The easement payment will occur after the well is drilled and the well turns out to be good and usable. At which time the long-term easement will be purchased.

The Board must approve the payment of the well invoices. The Board approval is then sent to the WWDC along with a reimbursement request, that is verified by the WWDC, at which time they reimburse 75% of the invoice. The district then pays 25% of the invoice. The WWDC is quick in processing the reimbursements, generally within a couple of weeks, to ensure that the invoices are paid timely.

8. Review December 31, 2022 Treasury Report, recommend transfer of reserve funds to WGIF:

Action: Bob made a motion to transfer the following:

- a. \$30,000.00 from the First Interstate Road Reserve to the WGIF Road Reserve account.
- b. \$100,000 from First Interstate Bank Operating Reserve account to the WGIF Operating savings account.
- c. \$20,000.00 from the First Interstate Water Reserve account to the WGIF Water Reserve account.

The motion was seconded by Kurt Harland. The motion passed 2-0.

Board Comment:

Bob Norton reviewed the expenses noted in the Treasury Report. Bob has a couple of proposals for earning more interest on funds not currently being invested in WGIF accounts. Bob proposed moving \$30,000.00 from the First Interstate Road Reserve to the WGIF Road Reserve account. In addition, he proposed \$100,000.00 from First Interstate Bank Operating Reserve account to the WGIF Operating savings account. The final recommendation is to transfer \$20,000.00 from the First Interstate Water Reserve account to the WGIF Water Reserve account. The WGIF is returning 4.2%.

Public Comment:

Warren Machol – Asked about the \$6,000.00 remaining in the easement budget and whether the property owner has agreed to this amount to purchase the easement. In addition, he asked if there will be additional bills from Paul D’Amours for legal services. Warren mentioned that he appreciates the Board digging into the benefit of moving the district’s money from an account that earns zero, to an account that earns interest. He asked if the tax funds received in January are being accounted for in the amounts being transferred. Warren asked what the minimum balance requirement is to not be charged fees. He also questioned why more funds aren’t being moved from the accounts that don’t have any current expense demands. He researched the WGIF accounts and agreed that they are not to be used as an operating account and the number of monthly transactions is limited or relatively high fees are incurred. Several hundred thousand dollars are earning zero interest, where the district could be earning another \$8,000 - \$10,000 annually versus the bank earning the funds. He doesn’t think the district needs to be as conservative as it has been. He has been pushing over the past few months to have the district’s funds earn more interest.

Board Comment:

Bob Norton noted that the easement payment is still in negotiations. But the amount being discussed is less than the remaining \$6,000.00 budgeted. Bob also conveyed that additional legal fees are

anticipated for the easement process, in addition to the payment to the landowner. Bob indicated that the transfers being proposed do take into account the funds received in January.

Road Reserve balance as of December 31, 2022 -	\$85,923.99
Proposed transfer -	<u>\$30,000.00</u>
Remaining balance -	\$55,923.99
Operating Reserve balance as of December 31, 2022 -	\$204,125.23
Proposed transfer -	<u>\$100,000.00</u>
Remaining balance -	\$104,125.23
Water Reserve balance as of December 31, 2022 -	\$34,127.53
Proposed transfer -	<u>\$20,000.00</u>
Remaining balance -	\$14,127.53

Bob indicated that he didn't know the exact balance need to not be charged fees. But, noted that the balances will be above the requirement minimum. In response to Warren's question about moving more funds than being proposed, Bob noted that he is being conservative on the proposal as he is trying to ensure funds are readily available. Funds have historically been moved out of the WGIF accounts, not since he became Treasurer, and he is still trying to get a handle on the monthly bills. He agreed that he may be leaving more in the accounts than is necessary, but he also wants to make sure that the district has the flexibility to operate as needed.

Kurt Harland noted that the Board is comfortable with this approach and consideration of moving additional funds can be discussed in the future.

9. Approve payment of invoices:

Action: Bob Norton made a motion to approve the January unpaid bills. Kurt Harland seconded the motion.

Board Comment:

Bob Norton reviewed the invoices on the January unpaid bills listing.

Skyline Improvement & Service District					
Date	Vendor	Ref. No	Description	Due Date	Total
1/1/2023	Mountain Property Management		Monthly Management	1/1/2023	\$3000.00
1/9/2023	Lower Valley Energy	Jan SLR 2023	Acct 294586001	1/18/2023	\$40.59
1/9/2023	Lower Valley Energy	Jan SLR 2023	Acct 294586002	1/18/2023	\$82.37
1/9/2023	Lower Valley Energy	Jan SLR 2023	Acct 294586003	1/18/2023	\$169.04
1/13/2023	Clearwater Operations & Services	1461	curb stop locates, hydrant flagging	1/13/2023	\$1276.25
1/13/2023	Teton County Health Department	23-1944	water test 12/5	1/13/2023	\$20.00
1/13/2023	Nelson Engineering	60553	general engineering	1/13/2023	\$28.75
Total for Skyline Improvement & Service District					\$4617.00
2/1/2023	Evans	TBD	contract payment approved by resolution	2/1/2023	\$5795.67
Property or Company					Total
Skyline Improvement & Service District					\$10412.67
Grand total - both pages					\$11950.17
Skyline Improvement & Service District					
Date	Vendor	Ref. No	Description	Due Date	Total
1/13/2023	Nelson Engineering	60501	consultation work	1/13/2023	\$1537.50
Total for Skyline Improvement & Service District					\$1537.50
Total for Skyline Improvement & Service District-to be transferred from road reserve as part of intra-company loan					\$384.38
Total for WWDC - awaiting their disbursement					\$1153.13
Total Due					\$1537.50

Public Comment:

John Willot – Noted that on the Nelson Engineering bills that were obtained following their request, show very little detail of who is doing what and why. He conveyed that he hopes Bob is on top of this and how the district knows what they are doing. John asked if Bob was doing the negotiations with the well driller or is this being done by Nelson Engineering.

Board Comment:

Bob Norton mentioned he does review the bills. Nelson Engineering prepared all of the bid documents, conducted the bid opening and did the negotiations for the change order.

10. Set date for Town Hall regarding Skyline Water System Improvements:

Action: The Town Hall meeting is tentatively scheduled for Wednesday, February 22nd. Kurt Harland will contact First Interstate Bank to see if their basement space is available on February 22, 2023, with a time of 5:30 p.m. – 7:30 p.m.

Board Discussion:

Bob Norton noted that following additional investigating this meeting should be postponed to include the meeting that is needed for the loan indebtedness. This would eliminate needing to hold duplicate meetings. This meeting can be held just prior to the meeting that is required for the approval of the indebtedness. This will allow owners to get up to speed on what is going on.

Kurt Harland asked the timeline as to when this would be.

Bob noted that the grant application for the Level 3 project is due 1st of September. So, the Public Hearing would need to be held in July. The SRF loan needs to be submitted in July. During the Public Hearing the district must state the amount of the loan, the interest rate, and the estimated cost to each landowner. It is his opinion that it is better to wait to hold the Public Hearing until all of this information is available and hold the meeting in July or August.

Public Comment:

Worthy Johnson – The thought process of the Town Hall is not to have a formal meeting, where the WWDC requires this to occur for the purpose of going after additional grants, bonds, etc. for phase 2 of working the service side of the project, after the supply side is completed. Our desire is to review the supply side information that has been put forth, to have open discussion regarding the various aspects of the assumptions being made, and to have the ability to listen to the Board’s side of the project, ask questions, and get answers to questions that have been asked in the past that the Board has refused to answer. He was surprised to read in the December minutes that this topic was brought up, he either missed the discussion or maybe it was embellished. But it was never our thought process or desire to combine these two meetings. The concern that many people have is that the distribution is the most expensive aspect of updating the water utility. There has been no increase to the water reserve to take into consideration the need for reserves for the distribution system. Worthy would be in favor of not postponing the informal Town Hall meeting to provide the opportunity for the Board to answer questions and allow the community to work together to better understand the Board’s approach over the last three years towards the repair and improvement of the Skyline Ranch water utility. Worthy noted that to collect the needed \$4.5M needed to replace the distribution system by 2030 without going to a bond, each lot would need to be assessed between \$5,000.00-6,000.00 each What is upsetting to a lot of people is that in the past the Board has not worked aggressively on an asset reserve study. To see the entire system going the way it has is

upsetting, and more importantly is requiring today and future homeowners to pay for depreciated assets that have been used by people who have lived here for 30-50 years and not contributed to the reserve. For those homeowners coming into the subdivision this could also be a negative aspect to sales in Skyline Ranch. The board should be answering the question as to why the water rate was raised from \$1.70 to \$2.60.

Board Comment:

Bob Norton noted that the work on the supply side has a potential 67% grant, and the loan would be for the other 33%. That is for phase 1 of the project, there would still need to be a vote to incur the indebtedness. The distribution side, to his knowledge, is not eligible for grants. So, 100% of these costs would be covered by loans. With the Level 2 report, it was the board's intention to increase the water reserves. So, when the time comes, around 2030, to replace the distribution side of the system, reserves are in place and then the total cost doesn't have to be a long term, 20-year, loan. Bob is not against an informal Town Hall to answer questions. His confusion was the request to have a vote at the end of the Town Hall.

Public Comment:

John Willot – The fact that there are not grants available for the distribution side screams that we need to get serious about raising funds. If the water fee increase is figured into the reserve that is one thing. But if this increase just falls into the normal budget that is another issue. We know the life of the pipe is 50 years, and we know that no funds have been reserved. That is not good management. We also need to address, at the Town Hall meeting, the schedule and budget for both the well and the meter projects. We have not seen a full, all inclusive, budget and timeline of how the expenditures will occur. The meters were supposed to be installed in September. There has been no discussion about why there has been a delay. There needs to be some stewardship when we are getting into these large projects. The last large project was the fire hydrants that was 100% over budget and they don't work. If that is what the Board is going to deliver on the well and meter projects, then we are in a world of hurt. It is important to have this Town Hall meeting soon to have these discussions.

John Goldstein – He agrees with Worthy. As a homeowner living in Skyline, we all recognize we have a 50–60-year-old water system that has distribution issues. The Town Hall meeting would allow us to collaboratively try to figure out how to skin this cat. It is everyone's shared burden and responsibility to address this issue. This is everyone's challenge, and we all own very valuable real estate in this neighborhood.

Warren Machol – After reading the minutes, that were tabled, Bob you are assuming the questions that John Willot has asked are not the questions that need to be discussed at the Town Hall meeting. The questions have been outstanding for three months. The idea of proceeding down the path of these projects without budgets, accuracy of scope and the option to timeout the projects, especially the meter project. The meter project has so far only spent \$700.00, but on the agenda is a vote to spend this month \$19,000 or 15% of the budget, when we haven't seen a budget. What we know is that the project is supposed to cost \$145,000 pursuant to the SLIB meeting. This is the reason why John Willot and Worthy Johnson have requested the Town Hall meeting several months ago and have been working towards getting that done and with the idea of not committing resources until we know all the details. There are people that think there are reasonable people that are making reasonable decisions and sometimes errors transpire. Given the recent disagreements between what transpired at the August 19, 2021, Public Meeting and what was going to be accomplished for the

metering project, and what the Nelson Engineering metering contract says, are vastly different. Some of these issues need to be resolved before we pursue committing dollars for projects that don't meet what was publicly disclosed, as the scope and outcome, to acquire the ability to borrow money. The big issue in the room is the distribution. People were chasing loans and grants, and not looking to proceed and build assets and reserves for the larger questions of our community. I do believe tabling both proposed Nelson Engineering contracts and having the Town Hall meeting to discuss these items in detail and specifically the facts, data and conclusions reached and why they were reached, is very important at this juncture. I don't think waiting until August, or some uncertain date, and proceeding to spend resources on poorly documented projects is fundamentally correct or in the best interest of fiduciaries.

Board Discussion:

Kurt Harland asked Bob Norton if he would still like to proceed with holding a meeting in July or August. Kurt noted that there have been a lot of valid points made and a discussion would be good. But a lot of this is what the Board has been doing the past three years in the studies and where the Board has made decisions of the well and meters being the priority. There are a lot of people worried about the distribution system. Kurt noted that his opinion is that the distribution isn't a critical phase at this point.

Bob Norton noted that a Town Hall meeting can be held to talk about the decisions the Board has made over the past three years. I don't know that we need to hire the engineer to represent the Level 2 report. It seems like a lot of people don't know what the Board decided three years ago and the reasons for why the Board made the priorities that they did. So, having a Town Hall meeting we can do that.

Public Comment:

John Willot – Many of you may not know that Bob Norton came down and spent an hour and a half with me discussing the WWDC study and why the well is coming before some other things. I think if we can have a similar discussion with everybody and put these questions out on the table and talk about why the order of the projects are the way they are. A good understanding of what is in the report, how assumptions were arrived at, would be very helpful for the community. I think it would be a good time to get a poll from people about the need to collect annually to build the reserves. The alternative in waiting until the system fails, and we are out of water for a couple of weeks, we will be on the front page of the Jackson Daily, it will have an impact on our property values. This is something that is important, and I think the community will stand behind doing the projects. But getting a clear understanding of all the pieces is helpful. Putting it off is sending the wrong message. If we can hold the meeting mid-February, that is perfect. Bringing all our experiences together and having a good discussion.

Board Discussion:

Bob Norton noted that he is not opposed to holding a Town Hall meeting. He mentioned that he thinks it should be held at a time other than the regular monthly meeting. He doesn't think it is necessary to involve the engineer, as the Board set the priorities.

The next monthly meeting is scheduled for February 16th. Mid to late February works for the Board's schedule.

Bob does not agree with the discussions of delaying the other contracts if we plan to move forward with the projects. We can always modify some things later if needed. Bob suggested to hold the Town Hall on either February 21st, 22nd or 23rd.

Kurt Harland noted that there has been a lot of discussion about the rate and how we arrived at the rate, and he thinks there is a fundamental difference between some of the people in this meeting and the previous Board on how to charge for water and he doesn't want to get into that discussion during the Town Hall and he doesn't think it is appropriate for where the district is going.

Bob clarified that Kurt is asking to keep the discussion during the Town Hall to be about the projects.

Kurt noted that the discussions should be about the reasons for the projects to proceed, the budgets, and the schedules.

Public Comment:

John Goldstein – He thanked Bob for changing his position and agreeing to hold the meeting in February. He agreed there is no need for the engineers to attend the meeting. As John Willot said, getting a discussion with the homeowners in the community about the liability and having people understand it and start to think about how we deal with it. If that means an open discussion about starting to make assessments to build a reserve, that will help owners, if they want to be aware. It is irresponsible for us, knowing that we have a legitimate liability facing us, even if it is in 2030, to not start figuring out how to build up the reserves to address it. It would be great to engage people the community to understand that and to agree on what makes the most sense going forward. We all have significant amount of value in the community and water is critical. I agree with Kurt that it doesn't make sense to fight the fight on usage, it is what it is. That is not the big elephant. The elephant is what I think we need to address.

Warren Machol – Warren noted his appreciation for Bob's flexibility in holding the Town Hall meeting. Some consideration needs to be made if the discussion is to focus on the WWDC decisions that were made from the data. That data came from Nelson Engineering and specifically Josh Kilpatrick. He believes there were some pushes by the previous Board that were not data driven. There is other data in the report that is key to the decision-making process. He thinks it needs to be defined, or described, how the district got to that data. If Bob can do that as an engineer and past President of Nelson Engineering, then Josh may not need to attend the meeting. It is important to understand how the basic data was derived so conclusions could be arrived at.

Worthy Johnson – If the Board does not want to get involved with the price of water and the reason for it moving forward at the rate it has, a way to assuage a lot of people is for the Board to consider how many years you will keep the current rate, at the rate. If an agenda is put together for the Town Hall, it might be a good to ask people in what ways they think this can be financed.

John Willot – The agenda is important. The meeting can be advertised to the community as to why they should come to the meeting to learn what is going on and why things are going the way they are. It provides good communication.

Board Comment:

Kurt Harland noted that the Board will need to secure a location for the meeting. But a zoom option should be available for those that don't want to meet in a public. Kurt questioned if the meeting would consist of those attending the current meeting or if there will be a tremendous amount of other people. Securing a space to accommodate this meeting may be difficult to do in the next

month. But the Board will look at some options. Kurt will contact the First Interstate Bank to see if their basement is available for the meeting to be held on February 22, with a time of 5:30 p.m. – 7:30 p.m.

11. Discussion and vote on revised contract with Nelson Engineering to prepare bid documents for Water Meter Project:

Action: Kurt Harland made a motion to approve the revised contract with Nelson Engineering to prepare bid documents for the Water Meter Project. Bob Norton seconded the motion. The motion passed 3-0.

Kurt Harland noted that the bid documents need to be ready and get the numbers ready to go, so we know what the budget will be.

Board Discussion:

Bob Norton noted at the last meeting the contract wasn't written as clearly as it should be. It should have been a not to exceed contract. Nelson Engineering was asked to revise the contract to clearly state the not to exceed provision, without prior written approval of the Board. Bob indicated he thinks the district needs to move forward with the contract. He mentioned that there has been past discussion about the backflow preventers and liability. He feels firmly that the district can purchase meters with 20-year warranty/life and have them installed. He doesn't think the district should be messing with property owner's plumbing to install backflow preventers. The installation of the meters is a simple process of removing the old meter and installing the new one, and this will ensure all meters are up to speed and working. At the same time, the district can ask the plumber to see if there is a backflow preventer. Kurt Harland asked for confirmation that the backflow preventer is required under district regulations. Bob confirmed that the backflow preventers are required by the International Plumbing Code and by the district regulations. The simple dual check valve on the water supply line is one thing. But the irrigation systems that some people have is a reduced pressure principal backflow preventer, which is more expensive. We should push to get done, but this is up to the homeowner and not up to the district to share in the cost. In addition, it is not fair to everyone to share in the cost of a backflow preventer for someone's irrigation system. Kurt asked for confirmation on how a backflow preventer on the irrigation system affects that home and noted if that property didn't have a backflow preventer on their irrigation system, they would be the only property affected by possible contamination. This process is an opportunity to make sure everything is hooked up correctly with the meter being the first point, and the backflow preventer the second and the irrigation downstream from that. Bob confirmed that is correct. Bob mentioned that the only way he can see that the district's plumber were to install a backflow preventer for a homeowner to sign a release, releasing the district from any liability. Bob doesn't see any issues with installing a meter with a 20-year warranty and the contractor will have his own liability insurance, as the district has liability insurance. Kurt noted that the backflow preventer is something that homeowners should already have installed for obvious reasons. Bob noted that he doesn't have a backflow preventer on his property but intends to personally pay the district's plumber to install one at the time the new meter is installed. Kurt agreed that the discussion and vote on the contract with Nelson Engineering to prepare bid documents for the water meter project should not be delayed.

Public Comment:

John Willot – We are talking about two backflow preventers, one on the irrigation and one on the main line coming in. A few years ago, the district paid to have all the crawl spaces inspected to see if the meters were installed in the right place. Were pictures taken of what is there to know whether a

backflow preventer is on the irrigation and main feed line? The list at least helps us see if this is a big issue or not. In John's mind, the homeowner needs to pay for the irrigation backflow preventer. But bear in mind that in the August, 2021 meeting, statements were made saying that installation of the backflow preventers was part of the \$145,000. In two ways it came out very clear. "Harland stated that dual check valves will be installed in every home". John assumes that Harland meant on the main line and not the irrigation side. John noted that the implication is that this would be all inclusive. The initial budget was \$135,000 and then the backflow preventers came up and the bill was bumped up \$10,000. John noted that the district will already be down installing the meter with the tools needed to install the backflow preventer. The other thing that he is nervous about is what was said at the beginning of the August 2021 meeting are that the notes and minutes will go to SLIB, for approval of the loan. With all these changes that are appearing, are we in jeopardy with the SLIB loan? If we go back to Clearwater Operation's data, if there are only 10 people that don't have the main backflow preventers, it isn't a big issue.

Board Discussion:

Kurt Harland asked if this was Emily Hanner, Clearwater Operations, that did this inspection. Bob Norton confirmed it was Emily, and he has a copy of her report. There are eleven or twelve homes without backflow preventers. She also commented on the irrigation systems where some homes do not have backflow preventers. Bob didn't count how many of these properties there are. Bob did not see any pictures, only a list. Kurt confirmed that dual check valves would be installed on homes at the homeowner's expense, as they are required in the regulations. Bob agreed that it was previously decided to have the backflow preventers included in the loan. However, he indicated the district should be forcing the homeowner to install a backflow preventer and the Board should not take on the liability for installing internal plumbing. There is an existing ¾" meter, they are all AWWA size. The old meter is removed, and the new meter is installed by tightening the union couplings. No pipe is cut.

Bob Norton went back and looked at the loan documents. They note the installation of meters and accessories. But they don't spell out what those accessories are. In Bob's opinion we are not in jeopardy. The original amount of the project was \$123,000 and it was increased to \$145,000. We draw from the loan, like a construction loan.

Public Comment:

Worthy Johnson – Regarding the Nelson Engineering contracts, under fees and payment terms, it is basically talking about the max will not exceed \$18,000.00. Down below that are the approximate fees, project manual, project bidding, meter reading system installation add up to \$16,000.00. He noted that there appears to be a typo, as the total of the contract should equal the \$16,000.00.

Board Comment:

Bob Norton agreed with that finding. These amounts should add up to the total of the contract. The individual line items do not have a limit. But the total should not exceed the \$16,000.00. He will get that change.

Public Comment:

Warren Machol – Speaking. To Bob Norton...A lot of the things being thrown out as your opinion that were thrown out at the Public Meeting, don't have any merit or weight, and it really wasn't part of the loan application process. Warren noted that he appreciates that Bob was not on the Board, and now have a new opinion. But the reason for the Public Meeting is because it is required under the

program rules, and the purpose is to give the public an overview of the metering project, present any alternatives, the preliminary schedule, and explain the funding and financial impact to individual owners. It then goes into detail to explain what is going to be provided and what the implications are. It was also noted that the reason the project is being done is because the new meters were recommended by the WW2 report. Again, we would like to discuss this before moving forward, as how that conclusion was reached is fundamental to why we are even at this juncture. The great part is that we haven't spent anything yet. The initial part here is that the proposed approach to financing is a \$145,000.00 loan, which in its entirety is the project's budget. We all know it is a 20-year loan with zero interest. But the idea is that it is a firm specific amount for our total budget. The second part that Josh Kilpatrick reviewed under the questions and discussion, was he referenced us to different potential products we could use. The decision on which meter we would use had not been made. He gave examples of projects that had been completed in other locations that he had been involved in and we would follow a similar path. In an example on another location, which provided pictures, it appears that this project didn't existing meters. The recently proposed water meter backflow preventers, all of sudden came up with the concept that water meter yokes and water meter accessories, including check valves, were no longer part of the budget that was disclosed and was going to be accomplished 17 months ago. The pictures are very clear what Josh told us. Initially in the project budget it was only the meters. Warren is opposed to the district taking on the responsibility when the obligation is not required. He prefers the idea that individual owners, on individual meters, are responsible for reporting it. Our responsibility as a water system ends at the curb stop. I had said that if we were ever going to say there is a benefit to this project, we need to put in brand new check valves and brand-new backflow preventers on every premises. Because the chance of syphoning water, is the biggest risk to our water system. There were numerous discussions, and numerous sets of historic minutes, that go through the process of the Board first saying we can't increase the number but adding \$20,000 to the budget to make sure we protect our system. Subsequently, you have decided to the revise Article 5, Skyline Regulations, which now says that if our meter doesn't fit your yoke or you don't have a yoke you will need to go buy one. Another charge to a homeowner. We were told that new check valves would be installed. Nope, you have got to pay for those. It doesn't say how this will be done or how the costs will be handled. But we are all paying for a loan that is going to cost X amount of dollars for 20 years, that is supposed to supply all of those services. These are items that were specifically noted in the report. John Willot already mentioned, that in previous meeting minutes, that Kurt Harland brought up the fact that backflow preventers and dual check valves will be installed on every house as part of the project for safety of the system. It is very disconcerting to have 17 months go by and not have seen a budget or details and by osmosis the Board decides to change the whole deal on everyone, and we are going to codify it by negotiating a contract with Nelson Engineering which changes the public disclosed details of the services to be performed and the costs to be incurred. I believe without a budget and scope document; you absolutely have to table Nelson Engineering. This was a public disclosure meeting that went through a lot of detail, that they clearly went through that at most we would be saving \$800.00 of water and \$8,000.00 of debt service. We have no budget or known costs at this juncture for what it is going to cost to collect, operate or maintain the system. A question was asked during the SLIB meeting, who would be responsible for the equipment during the 20-year loan term. Jim Lewis replied that the district is responsible. He added that one of the stipulations of the loan application is the district own and maintain the meters during the loan term. If that was false information, we need a new meeting. I have also sent a detailed set of questions, where I asked that this be tabled, along with the chip seal project engineering, because I don't think that is necessary. In

addition to having the scope document and an economic document for the ongoing costs, would the Board provide any savings that will be generated by the Mountain Property Management contract, savings by Clearwater Operations or other cost savings. Or will this just be another set of charges by changing the system from owner owned/read meters to remote readers. There are some big things for the Board to consider. The idea that this project is poorly documented in the WWDC, and it appears that the Board is chasing grant and loan money and not by priority is tough to begin with. The idea that they adopted the new check valves to protect our water system and now are renegeing. The idea that yokes are now not included with the meters, even if the specific meter chosen may need one. I am sorry for being difficult, this has been along meeting. These three documents all relate to the water system. We have only spent \$700.00. We can stop tomorrow and decide this is the wrong decision and there are other alternatives. The two big reasons stated for having the remote readers is it will keep us from having to crawl under our homes. However, the new regulations say I have to crawl under my home to read the meter if it is broken. The responsibility to read the meter becomes mine and not the districts. The other primary benefit is for accounting, and this can easily be solved by going back to one meter reading in the fall, giving six months to collect data before taxation. Warren stated that the public disclosed delivery cannot be changed at this juncture.

Board Comment:

Bob Norton noted that it isn't that he doesn't think the items have merit or weight, he thinks it was the wrong decision, in his opinion, that the district should not be installing backflow preventers.

Public Comment:

Worthy Johnson – He tried to review with the WWDC to see if there is a requirement that new units be installed for the purpose of obtaining grants/zero interest loans. His recollection is that you have to have a meter, but that was about it. The document in the WWDC said that if you want to get into conservation fees for charging for water that you need a wireless new system placed in the unit. That was the only thing that he could find requiring existing homes to change out their water meters. He was astounded that what they heard was that we need new meters for various financing purposes, which I believe is not the case.

12. Discussion and vote on revised contract with Nelson Engineering to prepare bid documents for the Chipseal Project:

Action: Bob Norton made a motion to approve the contract with Nelson Engineering to prepare bid documents for the Chipseal Project. Latham Jenkins seconded the motion. The motion failed 2-1.

Board Comment:

Bob Norton noted the contract was modified. A chip seal is recommended every 6-7 years. The last chip seal was in 2016. The work would be done in August. He said it is necessary to protect the life of the roadway. If we don't do that, we will end up needing to do an overlay sooner, than later. Most studies show that if you do a chip seal every 6-7 years you can delay the overlay requirement for several years.

Public Comment:

Warren Machol – Asked Bob how many times the community has been chip sealed, and when the last overlay was completed. Warren noted that we will have to do an overlay after the new pipe is installed, as there will be numerous patches/sections that are taken out. Warren asked Bob if the expectation of this pipe work being done is in 2030, although some would like it done sooner. If the

overlay is needed following this project, we will be patching over our existing roads. Which means we will want to overlay our whole and complete road. Following this project we would like a smooth road, and not a bunch of strips/patches at every lot line. Can we use the same Nelson Engineering documents that were used for that chip seal project seven years ago? Besides Evan's Construction and HK Contractors, is there anyone else that has the capability to do this job? If only one contractor is going to bid the job, why do we need to spend \$9,500.00 to repeat that effort? Spending \$9,500.00 for essentially the same thing done in 2016, seems wasteful for the outcome. I would suggest we use the Town Hall to determine if we accelerate the changes in the lines and thus overlay of the roads. Because we can have substantially more in our reserves to pay for that. It seems with the price of oil we are fairly under reserved. This should be tabled until after the Town Hall meeting. There has been some poor planning. Last year we spent a good amount of money re-striping North West Ridge and I assume after putting down the chip seal we will have to re-stripe. If the planning was to chip seal this year, why did we put down a stripe last year. I want to go on record that we are spending a lot of money with Nelson Engineering for questionable outcomes.

Board Comment:

Bob Norton noted that since the last overlay the roads have been chip sealed once. The roads were originally paved in 1990 or 1991, and the last overlay was completed in approximately 2012. Due to the limited funds in 1990/1991 a full road thickness was not installed. It was understood that once the 20-year loan was paid off, the district would save up money to do an overlay. That was all part of the overall plan. Bob confirmed that the distribution system replacement is scheduled for 2030. The chip seal is needed to protect our roads. Bob noted that the documents will change in that they will be updated to the current situation. Nelson Engineering uses EJCDC, Engineering Joint Contract Documents Committee, they are updated every 2-3 years. So, the contracts will change. But they will be similar. Bob noted that in Teton County, Evan's Construction is the only company capable of doing the job. In the past, bids have been received from companies in Idaho. But he suspects we will only receive one bid. Bob conveyed that we must bid the project, even if there is only one bidder. Preparing the project manual is \$3,000.00 and conducting the bid is \$2,500.00. The \$4,000.00 is the inspection during construction.

Public Comment:

John Willot – Going back to the last discussion. It is very clear in the documentation going from \$123,000.00 to \$145,000.00 to include the backflow preventers. The budget that comes forward to do this job needs to be back down to the \$123,000.00. There is no point in indebting us more than that.

Board Discussion:

Kurt Harland asked Bob Norton his assessment if the chip seal project were to be delayed one year, would this incur to much damage on the road? Bob Norton noted that the roads wear out as we go along. If the Board wants to delay the chip seal a year, that can be done. The project is for preservation of the asphalt. We don't have a problem with the road being to slick, so we don't need the chips for that purpose. Kurt noted that in his neighborhood the chip seal has held up well. Not knowing asphalt decomposition, do we need the entire subdivision done. Bob's recommendation is to have the chip seal done every 6-7 years. Postponing a year won't be the end of the world. But it shouldn't be postponed for ever. The reason for starting the process now is for the project to be bid in March, and lock in oil prices. The work won't occur until August.

Public Comment:

John Willot – The oil market is at a pretty high point. Going forward, there will probably be some cooling of prices over the next couple of years.

Warren Machol – The oil futures market is substantially lower than the spot market. The need to lock prices today allows the contactor to know his price to deliver the oil to meet his contract in August and reduce risk. But you could buy two years forward in August at substantially cheaper than this August. Warren clarified his position on waiting on the chip seal to use those funds to do an overlay following the replacement of the distribution lines. He has no desire for the roads to deteriorate and decay.

Board Discussion:

Kurt Harland noted that the distribution system is scheduled for 2030. Therefore, it may be 2031 or 2032 to have the overlay completed. Waiting a year to have the chip seal done may bridge that gap nicely. Latham Jenkins noted that delaying the chip seal makes sense.

13. Discussion of proposed amendment of Article V of the Skyline Regulations for Water Use

Action: This proposed amendment will be discussed at a later date.

Board Comment:

Bob Norton prepared the amendment due to the discussions regarding the district’s potential liability and the way the current regulations read at this time. Given that we are going to delay the approvals, and have the Town Hall, we don’t need to discuss this today. But he would like everyone to look at it and be able to comment on the proposed changes. You will note the highlighted changes. We can discuss this at a later date.

13. A Approve change order #1

Action: Bob Norton made a motion to approve change order #1 with KD Services for the well drilling. Kurt Harland seconded the motion. The motion passed 3-0.

Board Comment:

Bob Norton promised the change order when the contract was awarded for the well drilling. It reduces the approved contract by \$20,500.00. Bringing the contract to \$163,000.00.

Public Comment:

Warren Machol – Raised again the need for a meter budget prior to the meeting.

Board Comment:

Bob Norton called a point of order.

Public Comment:

John Willot – Asked what has changed to lower the bid.

Board Comment:

Bob Norton noted that the items removed are bid item 18, the buck rail fence, and bid item 3, the landscape restoration, and the mobilization was reduced by \$4,000. The total reduction is \$20,500.00. From \$183,500.00 to \$163,000.00. The original estimate was \$173,000.00. But, looking

at the other line items in the budget we should be able to do the project within the budget. The engineering contract spelled out the engineering fees. But the well drilling was estimated. So, that is what created that budget. The budget has been published on the website.

Public Comment:

Worthy Johnson - In the two bids, between Dover and American, there is a \$22,000 difference in mobilization and an \$8,000.00 difference on water disposal system. Can these items be negotiated down with Dover?

Board Comment:


Bob Norton noted that one of the problems with a public bid opening is that we can't negotiate with a bidder until we award the contract. So, that is why we awarded the contract and negotiated out the \$20,500.00. There is a possibility we can negotiate out more of the contract. Bob noted that we will do our best to negotiate out more. The reason we took out the fence and the landscaping is because the intent is to go back in and develop the well. So, there is no need to spend that money when this area will be torn up again.

14. Next Board meeting – Thursday, February 16, 2023

15. Adjournment:


Kurt Harland made a motion to adjourn the meeting. Bob Norton seconded the motion. The motion passed 3-0. The meeting adjourned at 6:37 p.m.

Approved


Kurt Harland (Feb 16, 2023 16:58 MST)

Kurt Harland
Chairman

Approved


Robert Norton (Feb 17, 2023 09:18 MST)

Bob North
Treasurer

Correspondence Received:

From: Keith Johnson <keith@schf.com>

Sent: Friday, December 16, 2022 11:03 PM

To: Keith Johnson <keith@schf.com>

Cc: Bob Norton <bobnorton51@gmail.com>; Kurt Harland <kurt@bhhsjacksonhole.com>; Latham Jenkins <latham@livewaterproperties.com>; Wendy Meyring <wendy@mpmjh.com>

Subject: Re: Water meter

Hey guys was this discussed at all at last mtg? Hadn't seen resolution. Happy holidays.

Keith

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

Sent: Saturday, December 17, 2022 1:51 PM

To: Latham Jenkins <latham@livewaterproperties.com>; bobnorton51@gmail.com

Cc: Kurt Harland <thekurtharland@gmail.com>; Wendy Meyring <wendy@mpmjh.com>; Worthy Johnson <wjohnson@lawrencecapitalmgt.com>; Maria Johnson <mariajohnson53@gmail.com>; John Willott <jwillott@aol.com>; Corbin McNeill <camcneilljr@gmail.com>

Subject: Whats in the Water meter project loan?

Board,

The proposed agreement with Nelson Engineering on the December agenda for the Water meter project was eye-opening. First, the project's scope *** has changed since the project was approved, and the cost increased. Second, the Contact with Nelson had no bounds or limits based on their (NE) sole opinion.

I was lucky I attended and could find these glaring errors before being approved. (For the record, this is why I have suggested in the past that contacts, not of an emergency nature, should be required to have at least two meetings for discussion before approval. Further, it should be necessary that contract bids meet project budgets and contingencies before board approval or project budgeting needs to be re-evaluated)

I appreciate the Board tabling the proposed Nelson water meter project contract in the December meeting. However, I was disappointed that the Nelson chip seal consulting contact with similar open-end problems was approved.

Given the Board's confusion on what all ISD members are being billed for, I would like to ask that the following Item be made public. (Note! Each requested Item has been previously asked more than once in the past 16 months.) Once the Board makes public the requested information, the Meter project's merits and benefits to the community can be discussed at the February town hall meeting.

Knowledge of the Budgeted costs, the ongoing costs, and how they will be paid for can then be balanced against the benefits the ISD board believes will accrue by the ISD directly owning water meters and backflow preventers vs. our current homeowner-owned meters. We, the 87 ISD homeowner members (is it now 85 members?), are being charged for a 20 loan without sufficient details or clarity of its actual cost or benefits.

I formally request the Board provide the following:

- Water meter project budget,
 - Amount spent to date,
 - Detailed by consultant or contractor
- Project Scope,
 - What is to be done
 - By whom
 - By when
 - At what cost
- Ongoing operational cost budgets,
 - Operations
 - Maintenance of Water meter and backflow preventers
 - Hardware/software upgrades
 - Other projected costs
- Form of Insurance and identification coverage to ISD property owners for ISD-owned water meter installation or future damages
 - Estimated installation cost
 - Estimated ongoing cost
- The ISD Boards Proposed changes to water regulations
 - ISD ownership and Responsibility past the water line Curb stops
 - ISD Responsibility and requirements for ISD-owned Assets
 - ISD Liability for ISD-owned Assets

For any items currently unavailable for immediate distribution, please identify why the items are not now available (when the loan is already approved and members are being charged). In addition, I request the Board a time certain when the ISD board plans to make each item available for ISD member review and discussion.

I am concerned that project planning for both the Water meter and Well projects has been neglected and will cause substantial cost overruns similar to what was experienced in the fire hydrant project. Director Bob Norton insisted at the December ISD board meeting that Backflow preventers were not part of the Meter project and the comment at the November Board meeting by Bob. " *Bob also noted that the annual assessment for other property owners may change after the meters are installed and the loan is finalized*" Are of great concern about the ISD board's ability to complete these projects within undisclosed budgets and plans.

******Here is the link to the Written Minutes of the *** [Public meeting for the Meter Project](#).** The last comments from Jim lewis should remove any doubt that Backflow preventers are part of the increased project funding for the meter project. Please also note the expected negative annual expected value of the water meter project, which I identified 16 months ago at the public meeting, does not include ongoing operational or insurance costs that the ISD board has not yet provided. Knowing the long-term cost of the proposed meter project (above the \$8500 debt service) is necessary for cost-benefit analysis.

I look forward to speaking.

All the best

Warren

WLM Associates

500 NW Ridge Rd
Jackson WY 83001

307 734 1920 (o)

917 455 7470 (c)

From: MaryBeth Oatsvall <moatsvall@lglp.net>

Sent: Friday, January 6, 2023 10:52 AM

Cc: Torey Racines <tracines@lglp.net>

Subject: ATTENTION: LGLP Board Vacancies

ATTENTION: County Commissioners, Elected Municipal Officials and Special District Representatives LGLP is seeking expressions of interest to fill vacancies on

The Wyoming Local Government Liability Pool (LGLP) Board

LGLP is a joint powers board that administers the liability pool of over 500 local government entities, including Counties, Cities, Towns, Joint Powers Boards, Special Districts and others.

The LGLP Board is comprised of seven members who must hold the following positions: two (2) County Commissioners; two (2) elected municipal officials; two (2) Special District representatives; and one at-large board member.

Currently the Board has three (3) vacancies:

- one (1) **County Commissioner position;**
- one (1) **Elected Municipal Official position;** and
- one (1) **Special District representative.**

If you qualify for any of the vacant positions and are interested in serving on the LGLP Board, contact Executive Director Mike Todd at lglp@lglp.net and submit a brief biography as soon as possible.

The LGLP Board will meet in early February, date TBA, to nominate and select individuals to fill these vacancies.

The LGLP Board meets once a quarter, typically the last Thursday of January, April, July and November. LGLP provides mileage, board and per diem for Board Members travel to and from meetings.

Please do not hesitate to call LGLP at (307) 638-1911 with any questions. Also attached is the memo for anyone who would like to distribute it directly to your elected officials.

Thank you,

MaryBeth Oatsvall
Paralegal/Claims Manager
Wyoming Local Government Liability Pool

(307) 638-1911

The information provided in this communication is confidential and protected, may be attorney-client privileged, subject to the work product doctrine, and is intended only for the use of the addressee. Unauthorized use, disclosure, or copying is strictly prohibited and may be unlawful. If you have received this communication in error, please notify me immediately at 307-222-6508.

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

Sent: Friday, January 13, 2023 12:41 PM

To: Wendy Meyring <wendy@mpmjh.com>

Cc: Skyline Ranch Improvement & Service District <info@skylineranchisd.com>

Subject: 300 n west ridge

Wendy,

I just tried your office, and the message said you were out on Friday. I'm sorry for disturbing your vacation day.

The construction parking has increased on the road for the 300 projects. The line of cars on the street is about to the blind corner (five, maybe six vehicles). The parked cars and snow banks have reduced two vehicles' ability to pass simultaneously. In addition, the road is snow and ice-covered, stopping distances much longer.

Today I was coming up the hill, and a truck came down around the corner. Fortunately, I was far enough back to break and pull over to let the downhill truck pass. It would not have worked out well if I had been several hundred feet further ahead.

Suggested solutions:

- Please contact the owner/ builder to provide more on-site parking -- few cars parked on the road before the snow.
- Limit parking to max three vehicles -- some distance away from the corner. (I think there would then still be two lanes)
- Could you suggest an alternative location for workers and shuttle (pull out on goldfinch?) Many of these cars are parked all day.

I hope I am overthinking this and there is never a problem. However, it would not have ended well if I had been closer to the corner this morning.

Please address the problem before there is an accident.

All the best

Warren

WLM Associates

500 NW Ridge Rd

Jackson WY 83001

307 734 1920 (o)

917 455 7470 (c)

From: jwillott@aol.com <jwillott@aol.com>

Sent: Sunday, January 15, 2023 2:01 PM

To: thekurtharland@gmail.com; latham@livewaterproperties.com; bobnorton51@gmail.com; Wendy Meyring <wendy@mpmjh.com>

Cc: mariajohnson53@gmail.com; wjohnson@lawrencecapitalmgt.com; camcneilljr@gmail.com; wlm.assoc@gmail.com

Subject: Fwd: Questions and requests of the Skyline ISD Board based on statements in Latham Jenkins letter

Dear Skyline Ranch ISD Board,

The attached questions were sent to the Board on November 16, 2022 prior to the November Board meeting with a request that you supply answers and data that were raised in Latham's letter to the

homeowners. It has now been 60 days without a comment or reply. We still request that answer the questions raised and supply the data requested.

John Willott

Dear Skyline home owners,

Thank you for taking the time to read my letters to you about my concerns as to the current direction of the SISD board in improving our water system. Thank you for voting in the election!

Below is the letter that we all received for Latham, that I and others that have been attending ISD board meeting have responded to. To improve your understanding as to our concern, we have taken comments (highlighted in yellow) in the original letter and added details (**in bold**) that we have learned from attending ISD board meetings.

Dear Skyline Residents,

Like you, I've seen a few emails arrive to my inbox related to the upcoming Skyline ISD board seat election, the multi-phase water project, and other related matters.

First, I feel compelled to publicly thank Jim Lewis for all the dedicated and selfless service he has rendered on our behalf over the years. Jim will be missed both on the board and in the neighborhood. I have served on the Skyline ISD board for the last six years, and I am eager to serve our neighborhood for another four-year term doing my very best to carry on the legacy and standard of excellence that Jim has set for Skyline.

Why all the talk about water?

A top priority for the board is to deliver a reliable and safe water system both for the present and future demands of Skyline. The board engaged experts from the Wyoming Water Development Commission (WWDC) to study our specific situation and to make pragmatic recommendations for a multi-phase effort to modernize our water infrastructure, meet present demands, and prepare for the future to ensure that safe and plentiful water continues to flow to all the homes in Skyline. **Actually, the WWDC paid Nelson Engineering to do as the board instructed with out public comment or knowledge. The assumptions that drive the conclusions are unvetted and unrealistic.**

Capital infrastructure requires long-term planning and execution. The existing three board members (myself included) are in complete alignment that our outlined plan, **as recommended by WWDC and other experts,** offers Skyline residents **a well-engineered and economical approach** to meet our current and future water needs. **Un true assertion based on practical value engineering principles.**

Setbacks to our forward progress could jeopardize our ability to meet water needs, and nobody wants that. **"Setbacks to progress" Latham, please show how new water meters and a hole in the ground (proposed well #4) will make the system have additional water availability, more redundant, better or safer provider of water services.**

Below are a few responses to questions I've received from neighbors.

Isn't water free?

Skyline's location at the headwaters of the Snake River and along the Snake River aquifer puts us in an enviable position with nearby access to plentiful, high-quality water. The constructive relationship the board has fostered over the years with Crane Creek Ranch, where our wells are located, has also benefitted (and will continue to benefit) Skyline greatly. While we have secured access to water, it takes resources to deliver the water service to the homes in Skyline.

Among the possible methods to fund our water delivery, the board unanimously agrees that the most logical way to allocate the costs of water delivery among the 91 tracts within Skyline is via metered water usage, i.e., those who use relatively more water will pay more for its delivery, and those who use less water will pay relatively less for its delivery. This was also the recommendation of a water rate specialist whom the board worked with through this process. I realize that some may disagree with this water usage-based pricing model, instead preferring a scheme whereby someone who uses 10 "units" per month should pay the same as a tract that uses 10X or 100X that amount. The board, and the numerous industry experts we've worked with, simply

disagree. This is a false argument. Paying proportionally more is not the conversation. The issue is the price to pay for the services rendered. The Board's, insistence to have current water users (as opposed to every member of the water system) pay for damages caused by an aging system, pay into reserves for new construction, and "cost" for future improvement is the issue.

Although the water coming out of the ground is free to us, the delivery system is not free. Skyline's water rates reflect the current real costs to deliver the service. What is the current real cost to deliver water? This will include power, reserves for pump maintenance, and other incidentals that are variable based on water used. What caused the cost to jump from \$1.58 to \$2.60 /1000 gallons? to pay for line break repairs (averaging \$9K-\$14K per repair), What is the added cost per thousand gallons for such repairs? system repairs, costs to maintain the system, costs to fund future phases of our water system modernization projects, and so on. Please define what part of these allocated costs are due to current water usage; what are parts of having a water system that is old and needs maintenance due to age and should be paid by all members to have an operational water system for future usage?

As stated above, Skyline is fortunate on the water delivery front; We agree" access to plentiful, high-quality water"..... The question is the Actual cost to deliver water, which the board has refused to define. and we are all benefitting from the leadership and foresight of those who have gone before. This is not factual. The shifting of fixed cost to current variable water users, especially for an old system in need of replacement, does not meet the definition of fair or equitable.

May we continue to do so for our own benefit, for the sake of future generations and to keep Skyline as one of the most desirable communities in all of Teton County.

Why do we need a fourth well?

Skyline presently has three water wells, two of which are presently operating:

- **Well #1** near the front entrance to Skyline was abandoned several years ago due to water samples testing positive for arsenic (Note: the levels detected were within an acceptable EPA level, yet nobody feels comfortable with any level of arsenic in drinking water, and Well #1 generally has inferior water quality for a variety of geologic reasons than our other available water sources.)
- **Well #2** (drilled in 1974), located on Crane Creek Ranch, just west of Skyline down the hill towards the Snake River
- **Well #3** (drilled in 2004), also located on Crane Creek Ranch

The owners of Crane Creek Ranch have been very cooperative with Skyline over the years and have granted an easement to allow Skyline to tap into the high-quality water sources beneath their land.

The WWDC completed a detailed analysis that revealed that the pump on both Well #2 and Well #3 require replacing to meet the daily maximum and peak hour demand of our existing users. **NOT TRUE!**

Simply put, our demand for water is outpacing our present ability to deliver the water, and water demands will only increase with new (larger) homes, remodel projects, additional accessory units, and other demands on our water supply. This is NOT true. As the last 11-year water use data shown by in John Willott, there was NO increase in water usage and during that time eleven new homes were built and eight had major remodels. So, 22% of the homes in Skyline are new or redone with no increase in water usage. Why should current water users be responsible to increase capacity when none exists? We have sufficient water to meet current demands. it's MODEL of projected new homes and ARUs (created by Nelson Engineering) that is being used to say we need to increase supply.

As a board, we needed to decide to either replace both pumps (on Well #2 and Well #3) and/or to drill a new well. After much consultation with multiple water experts, the board decided that that the optimal approach would be as follows: Please list experts and alternatives researched. Provide the projected cost to hook up well #4 to produce any water for Skyline. Compare that cost to the cost to improve well #2 and upgrade control system to allow both wells to run at the same time.

- Keep Well #2 operating “as is” given its age and the complexity and risk involved with upgrading the 48-year-old infrastructure **Provide page reference in WWDC**
- Upgrade the newer well (Well #3) with a modern variable-speed pump as the newer well would more easily accommodate the pump without undue complexity, expense, or risk **Provide page reference in WWDC**
- Drill an additional well (Well #4) given that: (1) Crane Creek Ranch’s present ownership is willing to provide an additional easement, and (2) the Skyline ISD board was able to secure a 75% grant to pay for three-quarters of the project
(Note: While Crane Creek Ranch’s present ownership has graciously agreed to grant Skyline an easement for the additional well, future owners may not be as accommodating – best to secure that additional water capacity now, while it’s available)

Why do we need to drill well #4 to secure the easement from the present owners of Crain creek ranch? As you have noted, they have graciously agreed to provide Skyline an easement. Why must we drill a well now? Is the easement cost covered by the 75% grant? Why mix up easement with drilling? Who will be paid to manage the drilling of the new well? Nelson Engineering.

The above three steps would help ensure plentiful, high-quality water for Skyline in the near term, would create a more robust and resilient water infrastructure to avoid potential water service outages, **Drilling Well #4 provides no water to our current water system.** and would help prepare Skyline Ranch for future water needs on projected use to 2050.

What about the water pipes?

For background, Skyline’s water is currently pumped from the two wells west of the subdivision, then gets pumped up the hill to a water tank at the top of the Skyline, and then flows down to the tracts in the upper portion of Skyline (along NW Ridge Rd) and then to the lower loop (Mallard, Teal, etc.).

The WWDC study found that the PVC water lines that supply water to tracts in the upper portion of Skyline have a shorter lifespan than the AC lines located in the lower Mallard/Teal loop. **False; see John Willott’s email and reference to WWDC**

As such, **WWDC recommended (NELSON ENGINEERING)** that the water lines eventually get replaced starting at the source (closer to the wells and the tank) and then progress toward the lower loop. **The AC pipe is the weak link in delivery lines as stated in the WWDC study on page 39.**

Replacing the entire water pipe infrastructure (both the PVC and the AC lines) throughout Skyline is a priority for the board. We continue to work with the field experts to map out and phase all the needed projects in the most safe, economical, resilient, and pragmatic way possible. Skyline is fortunate to have access to plentiful, high-quality water. The infrastructure needed to pump that water and deliver it to the 91 tracts throughout Skyline requires continued focus in the project phases ahead.

What’s the situation with the new fire hydrants?

The primary need that the “fire hydrants” were designed to solve was to **provide a way to access and flush out our water system.** Thankfully, we now have this capability. Prior to their installation, our water system was a closed loop with no way to remove debris or sediment as occurs when we have a line break.

The lack of capacity to drain the water lines was discovered by Warren Machol due to continuous debris and damage to his Barn (the barn is the high point of the water system). The question is why Bob Norton, the president of the ISD board since its inception and president of Nelson engineering, did not address this issue for 20 years.

Why should Nelson engineering assumptions in the WWDC be trusted without vigorous vetting of assumptions and value engineering is also of questionable judgment by a board without the skills to assess the conclusions.

Such a closed-loop system creates several issues, including health and safety concerns. Over time these hydrants should also prove useful for fire suppression, yet truthfully that use case will come in a later phase after we have upgraded many other aspects of our water system and can generate enough water capacity to quickly fill a tanker. **Why don't we have sufficient storage in our system to permit the use of fire hydrants? Where is the requested engineering and financial analysis of increasing storage instead of drilling well #4? Several members of the Skyline community with substantial knowledge of water systems have requested alternative analysis to include uphill storage, but the board has refused all requests for alternative analysis. WHY?**

We will get there. In the meantime, we will continue utilizing the tanker trucks that respond to fire calls within Skyline.

Why is the board recommending new water meters?

Twice a year, the board asks 91 residents to submit photos of their water meter readings. **Why do we need two water readings? For billing, one would be sufficient.** What may seem like a simple task proves, time and again, that the system is dysfunctional. Herding cats would be simpler. And yet, this is not the primary issue with the present system. **The Board recently created this complex system of twice-a-year photographs and retroactive catch-up water billing. This is what happens when bankers design systems without considering the merits or complexity. Water readings have been collected for 40 years. \$145,000 for water meters is a waste of resources.** Here are the primary reasons the board is recommending new meters.

- Many of the grants and zero-interest long-term financing that we've been able to (thankfully!) secure to pay for much of our water infrastructure upgrades require that we upgrade our metering system. **Please list any and all grants or loans our current meters would not be sufficient to obtain. Our current owner-owned meters meet the WWDC requirements.**
- Our current approach does not allow for the measuring of water flowing in and out of the homes. Such a system would help tremendously with early leak detection and would likely have prevented much property damage from water leaks that have gone undetected for long periods of time. **False unless read daily! What is the costs for Monthly, weekly , daily read meters?**
- We know there is a delta between gallons pumped and gallons billed, and accurate measurements (impossible with the present system) would be an indispensable tool to help us optimally manage our water system. **Given the low amount of unbilled water (as defined as the net between pumped and billed for), the Board has decided not to do leak detection (cost \$3000) for 2023. Please explain how \$145,000 and unknown ongoing collection repair costs for ISD-owned meters can be justified if the leak amount is so low.**

Closing remarks

I hope the above sheds additional light on Skyline's water system past, present, and future. **Please ensure the questions above in BOLD are replied to fully, accurately, and in detail.**

Should you have additional questions about this, or anything related to Skyline, don't hesitate to reach out to any board member to get your questions answered.

REQUEST: Please schedule a public town hall meeting to discuss the WWDC water system analysis and the specific assumptions and conclusions in the Nelson Engineering-written WWDC report. There has never been a public meeting since the WWDC report was released for member review.

REQUEST: Create an ISD water committee composed of ISD members with specific knowledge of Wells, Water systems, Utility billing, and construction to Vet the assumptions and conclusions in the WWDC report.

REQUEST: Provide all members with a full and detailed accounting of the current and ongoing costs for the ISD to own water meters in ISD members' homes (currently owned and the responsibility of homeowners). Provide a detailed analysis of the ISD liability for installation damages caused by contractors in member basements or crawl spaces. Define how the ISD will insure for damages (or leaks) caused during or after the installation of ISD-owned meters and backflow preventers inside member homes.

REQUEST: Provide a detailed budget and means to finance the development and connection of Well #4 to our existing water system. Include the cost and timeline for payment to provide water to members.

I have lived in Skyline for many years and plan to be here with my family long into the future. I'm honored by the trust you've placed in me to represent you and hope I can continue to earn your trust. May we all work together as neighbors and as friends in this exceptional community to make **Skyline the most desirable and drama-free spot to live in Teton County?**

If Drama is a code word for don't question and don't ask, We think we need some transparency and clarity of the ISD Boards' mission.

The ISD Board members responsible for the WWDC report are realtors and a retired banker with an agenda to defer current personal costs. The focus on obtaining loans for Meters and Grants (for well #4) provides no benefit to the current water system's ability to supply usable water is miss placed use of community resources. The process of hiding from ISD members the draft and final WWDC report while in the process of implementing the recommendations so there could be no review is difficult to fathom.

The Board has ignored the repeated breaks in the 1st section AC water line (insisting the PVC pipe is in need of repair) while insisting current water users should be solely responsible for water line repairs. The board has ignored the expert analysis of John Willott (Exxon), who has insisted that well #4 should not be the first priority. That upgrading our Well control systems, refurbishing well #2, and adding a pipe pumps to the pressure tank house is of greater importance and will provide current additional usable supply.

We do hope the ISD Board will look at the 30% of the members that voted for change and ask how they can do a better job of communication and inclusion.

The word is TRANSPARENCY before action recommended in the Nelson Engineering written WWDC report.

Thanks for your vote!

Should you want me to continue serving Skyline as a willing volunteer on the Skyline ISD board, please be sure to write in "**Latham Jenkins**" on your ballot that you recently received and to drop it in the mail. Thanks for your support!

Latham Jenkins

We the undersigned believe that the home owners should know the answers to the questions above and be able to ask questions at an open meeting about our water system and the ISD Board's proposed plan to change our system.

John Willott

Maria Johnson

Worthy Johnson

Warren Machol

From: jwillott@aol.com <jwillott@aol.com>

Sent: Sunday, January 15, 2023 2:27 PM

To: thekurtharland@gmail.com; latham@livewaterproperties.com; bobnorton51@gmail.com; Wendy Meyring <wendy@mpmjh.com>

Cc: mariajohnson53@gmail.com; wjohnson@lawrencecapitalmgt.com; camcneilljr@gmail.com; wlm.assoc@gmail.com

Subject: Skyline Ranch ISD Town Hall meeting

Dear Skyline Ranch ISD Board,

At the December ISD Board meeting a town hall meeting was proposed to review the actions and assumptions in the WWDC report that the ISD Board has said will the plan for the improvement of our water system.

When, Where and at what time will this town hall meeting be held?

What is the agenda and format for the meeting?

When should questions and comments be provided to the Board prior to the meeting?

Will oral questions be allowed at the meeting?

What is the detailed plan, budget and time line for the new meter project?

What is the detailed plan, budget and time line for the new water well project?

What process will the Board use to steward the execution of these two projects?

How will homeowners know if we are ahead or behind the plans and time lines?

How will homeowners know if we are about to exceed the budgets of either of these two projects?

Thank you in advance for prompt answers to these questions.

Please attache this request to the January Board meeting minutes.

John Willott

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

Sent: Sunday, January 15, 2023 3:28 PM

To: Wendy Meyring <wendy@mpmjh.com>; Skyline Ranch Improvement & Service District <info@skylineranchisd.com>

Subject: Information prior to the January ISD board meeting

Wendy and Skyline

Please provide the expected delivery date for the following information or documents.

Minutes- November (revised) and December meetings.

January Agenda

Contracts, or other legal agreements proposed to be approved at the January meeting .

For each contract or agreement please define the budget line item or project budget the agreement will apply.

All the best

Warren

From: Worthy Johnson <wjohnson@lawrencecapitalmgt.com>
Sent: Tuesday, January 17, 2023 9:41 AM
To: wendy@mpmjh.com; office@skylineranchisd.com
Cc: mariajohnson53@gmail.com
Subject: Nelson Engineering Bills
Importance: High

Happy New Year Wendy.....

Kindly send to me/scan the detailed billing from Nelson for:

9.13	\$717.98	
9.13	#59466	
9.14	#59467	\$1432.50
10.13	#59607	
10.14	#59608	\$5735.25
11.10	#60002	\$11681.20(?)
12.6	#60194	\$2087.25

#2 I believe it is an ISD owing vs a HOA owing in your records.

Thank you.



From: Worthy Johnson <wjohnson@lawrencecapitalmgt.com>
Sent: Thursday, January 19, 2023 12:55 PM
To: wendy@mpmjh.com; office@skylineranchisd.com
Cc: mariajohnson53@gmail.com
Subject: Couple of items in the Nov & Dec Draft Minutes.....
Importance: High

Please open attachment....TYw



reflected

Worthy Johnson – there is a misunderstanding between the Board and other people that are looking at the total cost of the replacement. It is not opposition to the project, it is a question of a different approach with a secure system, that we all want to achieve. The problem is that the Board has been resistant to answer questions and to look at the possibilities of an alternative approach. A Town Hall meeting would allow both sides to present their views and questions can be asked and answered, and an informal vote can be taken by the lot owners feel the best solution is for a 3-part project and how best to accomplish the project economically.

Warren Machol – mentioned that not having the meeting formality and going through the WWDC report is an important concept that has not been done on a community level. It is important that Josh Kilpatrick be available as he is the author of the report and is the community’s engineer. This will allow the parties to review the facts and how decisions have been made. This meeting should be conducted sooner rather than later, as project decisions are already being taken/made without community involvement. He also asked for additional information on any future loans/grants.

Worthy Johnson – In April the Board was asked what the dollar amount of the grant/loan for drilling the 4th well in relation to the definition of the service side of the system and whether the amount of funds could be allocated to the well or the upgrading the service side of the utility. The response received is that the funds could be allocated to either project. Doing the servicing side without drilling the 4th well would be less expensive based upon his recollection from the Nelson Engineering.

10. **Discussion of contract with Nelson Engineering to prepare bid documents for Water Meter Project:**

Action: Bob Norton made a motion to approve the Nelson Engineering proposal to prepare the bid documents for the Water Meter Project. Latham Jenkins seconded the motion. The motion was tabled.

Board Discussion: The Nelson Engineering proposal was provided with the meeting agenda. Bob has reviewed the document and the proposal is within budget. The Board needs to consider amending Article 5 of the Skyline regulations for water use to reflect the district will own district furnished water meters, which is a requirement for the 0% water meter loan. Research of other water districts and the Town of Jackson own the water meters on their systems. Bob recommends that Nelson Engineering proposal be approved, and the Board work with the district’s attorney to amend Article 5 of the regulations to be in line with the law.

Bob’s interpretation of the project is that homeowners would be responsible for the installation of the backflow preventers and pressures tanks. Latham added that it is his understanding that most properties already have these installed, and this can be confirmed with Clearwater Operations.

Bob noted that the Nelson Engineering proposal is a not to exceed. The budget does not include the installation of backflow preventers.

Latham noted that the issue of the backflow preventers and who is paying for them needs to be resolved before approving the Nelson Engineering proposal. Therefore, he agrees with tabling the vote.

Public Comment:

Worthy Johnson – Approximately 1 – 1.5 years ago Jim Lewis proposed the water meters be installed in houses. At that time, Warren mentioned that a lot of the houses don’t have backflow preventers. The total cost of the project was increased to include backflow preventers. The Nelson Engineering

Nov 17, 2022 minutes

grass/tree trimming on a per property basis, as he has researched that no member of the community is required to maintain the easements on another owner's property (Declaration of the Restrictive Covenants page 5 item 21). Conveyed that he feels the Restricted Covenants do not allow the Board to use funds in this way and is problematic and unprecedented and is against historic precedent. Owners that maintain their properties should not be made to pay for those owners that do not properly maintain their properties. Any properties that had grasses or trees trimmed should be billed accordingly.

Warren Machol - Noted that there have been numerous comments made, most recently made by Latham in his correspondence to owners, on why we need new meters. One of which is that without installed new meters the district does not qualify for loans or grants unless new meters are installed. Warren researched WWDC notes that the district must have meters but does not note that the meters must be able to be read remotely. There is nothing noted that the \$145,000 grants the district anything. He also questioned the ongoing costs to read, process and liability for the meters being installed in the subdivision homes, and stated that John Willot's letter goes into detail on each one of these items. He noted that the Board should bring forth truthful and factual information to the district owners. Another reference in Latham's letter noted the need for new water meters to check on water loss in the system. The Board and water authority has previously indicated that the amount of water loss is so low that is not worth performing leak detection.

9 line is missing *

6. **Correspondence received (included below):**

- John Willot - October 26, 2022
- Worthy Johnson - October 26, 2022
- Jamie Streater - October 27, 2022
- Worthy Johnson - October 28, 2022
- Worthy Johnson - October 30, 2022
- Worthy Johnson - November 1, 2022
- John Willot - November 1, 2022
- Worthy Johnson - November 1, 2022
- John Willot - November 2, 2022
- Worthy Johnson - November 2, 2022
- Warren Machol - November 4 2022
- Warren Machol - November 4, 2022
- Kevin Meehan - November 9, 2022
- Worthy Johnson - November 10, 2022
- Worthy Johnson - November 15, 2022
- Worthy Johnson - November 16, 2022
- Worthy Johnson - November 16, 2022

7. **Skyline Director election results:**

Action: Wendy Meyring provided an update on the process for certifying the votes. The certification was completed with the election judges. The results are posted on the district's website. The vote tally was the following:

- Latham Jenkins - 63
- Maria Johnson - 26
- John Willot - 1

Total ballots mailed to residents/owners was 154.

From: Worthy Johnson <wjohnson@lawrencecapitalmgt.com>

Sent: Thursday, January 19, 2023 2:06 PM

To: wendy@mpmjh.com; office@skylineranchisd.com; Kurt J. Harland <thekurtharland@gmail.com>; Latham Jenkins <latham@livewaterproperties.com>; bobnorton51@gmail.com

Cc: mariajohnson53@gmail.com

Subject: REQUEST re: Well #4 Budget

Importance: High

Hello Team SRISD Board.....I am having problems attempting to cross reference (connect the dots/compare apples to oranges, etc.) for this #4 Well Budget vis-à-vis the two bids received as well as the WWDC's Table 11.10 for Annual Payment Required all of which are attached above.. Bob perhaps you could take a shot at this by putting an index together from A to J (as per your budget) and attaching the various bills to each category.

I am missing something when the 2 bids under #15 Pump Testing come in @ \$9,600 & \$12,000 on the Bid Tabulation Test Well Project and the new ISD BUDGET is for \$67,600. Even if we add #2 Water Disposal-\$7,000; Well Development-\$18,000; Pump Mobilization-\$23,000; Development Pumping-\$3,750 and Pump Testing-\$12,000 I come up with a lower number-\$63,750. It would be most helpful so as to be able to note the progress on the project.

Also, please include in the hand out for the Monthly Board Agendas each time, the expanded Nelson Engineering Billing each month. I would like to see the 60194 billing for payment in January from December'22. Please have it available for this afternoon's meeting. Thank you.

Respectfully requested,

Worthy & Maria Johnson

500 N. Meadowlark Rd



Skyline #4 Test Well Project - Bid Tabulation

Item #	Item Description	Unit	Estimated Quantity	Dover Drilling		American Pump	
				Unit Price	Total Price	Unit Price	Total Price
1	Mobilization (Maximum 30% of Bid Value)	LS	1	\$55,000.00	\$55,000.00	\$33,000.00	\$33,000.00
2	Water Disposal System	LS	1	\$15,000.00	\$15,000.00	\$7,000.00	\$7,000.00
3	Force Account	LS	1	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
4	Landscaping & Restoration	LS	1	\$12,000.00	\$12,000.00	\$15,000.00	\$15,000.00
5	Drilling for 16" Surface Casing	LF	50	\$175.00	\$8,750.00	\$164.00	\$8,200.00
6	Casing - Temporary 16" Surface Casing	LF	50	\$105.00	\$5,250.00	\$171.70	\$8,585.00
7	Drilling for 12" Dia. Casing	LF	50	\$160.00	\$8,000.00	\$123.00	\$6,150.00
8	Casing - 12" Dia.	LF	100	\$95.00	\$9,500.00	\$153.20	\$15,320.00
9	Bentonite Grout Surface Seal	LS	1	\$4,200.00	\$4,200.00	\$9,750.00	\$9,750.00
10	12" Telescoping Well Screen	LF	20	\$400.00	\$8,000.00	\$432.50	\$8,650.00
11	Well Screen Installation	HRS	8	\$350.00	\$2,800.00	\$850.00	\$6,800.00
12	Well Development	HRS	24	\$350.00	\$8,400.00	\$750.00	\$18,000.00
13	Pump Mobilization	LS	1	\$22,500.00	\$22,500.00	\$23,000.00	\$23,000.00
14	Development Pumping	HRS	10	\$350.00	\$3,500.00	\$375.00	\$3,750.00
15	Pump Testing	HRS	32	\$300.00	\$9,600.00	\$375.00	\$12,000.00
16	Downhole Video	LS	1	\$1,500.00	\$1,500.00	\$1,800.00	\$1,800.00
17	Buckrail Fence: Construct per location on plans; match existing buckrail fence surrounding existing wells.	LS	1	\$4,500.00	\$4,500.00	\$7,500.00	\$7,500.00
TOTAL BID:					\$183,500.00	\$189,505.00	

Skyline Well No. 4 Budget

	Budget
A Preparation of Hydro-Geologic Analysis and/or Well Siting Study:	\$ 20,300
B Permitting:	\$ 6,300
C Advertising, Contractor Procurement, Contracts:	\$ 9,900
D Well Construction :	\$ 85,700
E Aquifer (Pump) Testing:	\$ 67,600
F Water Quality Analysis:	\$ 5,300
G Project Management/Subcontracts:	\$ 12,800
H Miscellaneous Applications/Procurements (Specify):	\$ 2,300
I Reports:	\$ 24,800
J Total Project Cost:	\$ 235,000
Easement (easement and legal fees)	\$ 8,000
Skyline ISD Budget	\$ 243,000

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

Sent: Thursday, January 19, 2023 2:19 PM

To: Wendy Meyring <wendy@mpmjh.com>; Skyline Ranch Improvement & Service District <info@skylineranchisd.com>

Subject: Nelson engineering proposed Contracts

Wendy,

Please have the attached PDF and the minutes for the SLIB loan available for screen share at today's meeting.

Thank you

Warren

Open letter to the Skyline ISD Board of Directors

Reference: Nelson Engineering contracts

At the December ISD Board meeting, members were provided (hours before the meeting) with two contracts with Nelson engineering. Both contracts were written in forms that permitted Nelson engineering to get a minimum payment wherever they decided, even if the specified work was incomplete. Alternatively, they could inform the ISD that the ISD could pay additional to complete the specified work. I am unfamiliar with such contracts, especially without change orders or altered specifications. I appreciate that the Board tabled the contracts for further discussion.

Both Nelson Engineering contracts have been redrafted and resubmitted as max fee contracts for discussion at the January Board meeting.

- I propose and request that the Metering project engineering contact with Nelson engineering be tabled.
 - Until after the following items have been accomplished:
 - The Nelson Contact includes all services as described in the metering project public meeting.
 - The community Town hall meeting being planned for February 2023 to discuss the WWDC report assumptions and conclusions has been completed.
 - The board has provided a budget document consistent with the project scope as disclosed at the 8/15/21 public meeting.
 - The board has defined the ongoing costs of the remote read metering project, including:
 - Maintaining and being responsible for the operation of the proposed ISD-owned equipment during the 20-year term of the loan.
 - ISD board discloses and/or corrects for public discussion items originally defined and committed to at the 8/19/21 Metering public SLIB meeting.

- I propose and request that the Chip Seal project engineering contact with Nelson engineering be tabled.
 - Until after the following items have been accomplished:
 - The community Town hall meeting being planned for February 2023 to discuss the WWDC report assumptions and conclusions has been completed.
 - Water line replacement timing is more accurately defined
 - Water line road damage during water line replacement has been estimated and evaluated.
 - Historical chip seal documents are available for review and analysis as acceptable cost-saving alternatives.
 - The Chip Seal Project budget is provided and compared with current Chip Seal and Repaving Road reserves.

Submitted with all respect and confidence, the ISD Board’s efforts at transparency and accuracy will be accomplished if both contacts are delayed for additional information and community discussion.

Respectfully submitted
Warren Machol
Member

Appendix of questions and conflicting information:

Metering project:

Question: Are the proposed Water regulations consistent with the SLIB MEETING board disclosure?

Question: Is the metering project budget consistent with the SLIB MEETING board disclosure?

- The December Board minutes reflect that Treasurer Bob Norton insisted that the backflow preventers are not included or budgeted in the metering project.
 - Yet at the August 19, 2021, SLIB required overview of the water meter project (SLIB MEETING); Director Harland stated: “that backflow preventers (dual check valves) will be installed at every house as part of the project.”
 - Further, Director Jim Lewis stated at the same meeting ...” that protection (check valves) which has now been added to the project.”

The public meeting disclosure of the inclusion of backflow preventers is fact – Correct Nelson contact

- At the SLIB MEETING, Josh presented product sheets, images of example meter installation, and a sheet of installation/completion checkout form as attachments.
 - The image shows cut copper, new copper, 90-degree couplings, new valves (to drain), a New Water meter, a meter saddle, and a new double Check valve.
 - This was represented as a typical install to be expected.
 - The installation Sheet described there was originally no check valve, but a Double check valve was installed.

- Josh Kilpatrick stated at the SLIB MEETING that the entirety of the project budget is the \$145,000 SLIB loan. See page #2
 - After 17 months, where is the budget?
 - Is the entire \$145,000 budgeted cost sufficient to deliver the project described at the SLIB MEETING?
 - Are the installation of a Water meter and backflow preventer included in the \$145,000 budget?
 - What other costs above the disclosed annual fee of \$84.31 for 20 year will members be responsible for the SLIB MEETING described installation?

Please provide and full and accurate budget consistent with the SLIB MEETING disclosure.

- Was the budget reduced due to account for the cost of two fewer meters needing to be installed?

See paragraph of page 6 SLIB MEETING – What is the corrected budget total?

- The question was asked at the SLIB MEETING who would be responsible for the installed equipment during the 20-year loan Term?
 - “Jim Lewis replied that it is the District’s responsibility.”
 - “Jim added that one of the stipulations of the loan application is that the District own and maintain the meters.”

See 5.4 of Water Regulations -- Correct language for District Responsibility.

- Please list the economic benefits of the metering project.
 - Savings, if any, with Mountain property management contract?
 - Savings, if any, with Clear Water Management?
 - Cost Saving or other operating cost savings accruing to the operations of the Skyline water system?

- As Skyline ISD already has meters for water with member-owned and operated meters, please define the following:
 - Water system Grants the Skyline ISD would not qualify for, with existing member-owner meters.
 - Water system Loans that the Skyline ISD would not qualify for, with existing member-owner meters.

Chip Seal Engineering Contract:

- I question both the need and the timing for a \$9500 engineering contract for the chip seal project.
 - Skyline has completed at least five chip seal projects previously.
- Are there any firms besides Evans and H&K that have the capacity to provide bids?
 - Why can't these two firms work from historical documents?
 - Please provide historical work documents and contracts from the previous chip seal for discussion.
- Regarding timing, I suggest analyzing the benefit of delay and increased reserves by delaying the chip seal project until it is decided on a replacement schedule and process for replacing the water lines, especially the lower Skyline AC pipe.
 - The process of water line replacement would require digging up sections of the road base and replacement.
 - Once water lines are completed, it would be beneficial for a completely new overlay vs. numerous patches in the driving surface.
- Also relevant to the chip seal timing is that we stripped N Westridge (what was the cost?)
 - Would this need to be redone after chip sealing?
 - Why was it done last year if intending to chip seal this year?
 - Why the poor planning

From: Bob Norton <bobnorton51@gmail.com>

Sent: Thursday, January 19, 2023 3:31 PM

To: Worthy Johnson <wjohnson@lawrencecapitalmgt.com>

Cc: wendy@mpmjh.com; office@skylineranchisd.com; Kurt J. Harland <thekurtharland@gmail.com>; Latham Jenkins <latham@livewaterproperties.com>; mariajjohnson53@gmail.com

Subject: Re: REQUEST re: Well #4 Budget

Worthy,

I can see why you are having difficulty trying to figure out the Budget for Well No. 4.

The budget that I provided, as a result of public request, came from the Nelson Engineering Groundwater Exploration contract with Skyline. That contract is unique in that it requires the Engineer to estimate the well drilling and testing prior to bidding, but sets the budget for the project. The Skyline contract with Nelson Engineering is a not to exceed amount of \$81,700, note the contract allows that individual line items can vary from the estimated amount but the total cannot exceed \$81,700. The estimated amount of the well drilling and testing was \$153,300, that plus the engineering contract result in a total construction budget of \$235,000. That amount plus the Skyline Budget for easements, \$8000, provides the total project budget of \$243,000.

The posted Budget vs Actual Jul 2022 through Dec 22, account 6126.4 Well #4 Cost, copy attached, shows the expenses posted thru 12/31/22 compared to the total budget. Cost to date \$24,445.95, 10.06% of budget.

I hope this helps, but I would be happy to explain in more detail.

Bob










Skyline Minutes 1-19-23

Final Audit Report

2023-02-17

Created:	2023-02-16
By:	Mountain Property Management (info@mpmjh.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAVnNE59lhHH68zxc2sSQ3AOC8NdOO-Pn0

"Skyline Minutes 1-19-23" History

-  Document created by Mountain Property Management (info@mpmjh.com)
2023-02-16 - 11:43:53 PM GMT- IP address: 207.183.166.24
-  Document emailed to Kurt Harland (kurt@bhhsjacksonhole.com) for signature
2023-02-16 - 11:44:31 PM GMT
-  Email viewed by Kurt Harland (kurt@bhhsjacksonhole.com)
2023-02-16 - 11:57:28 PM GMT- IP address: 74.125.212.17
-  Document e-signed by Kurt Harland (kurt@bhhsjacksonhole.com)
Signature Date: 2023-02-16 - 11:58:04 PM GMT - Time Source: server- IP address: 184.167.9.202
-  Document emailed to bobnorton51@gmail.com for signature
2023-02-16 - 11:58:06 PM GMT
-  Email viewed by bobnorton51@gmail.com
2023-02-17 - 4:17:40 PM GMT- IP address: 74.125.212.19
-  Signer bobnorton51@gmail.com entered name at signing as Robert Norton
2023-02-17 - 4:18:37 PM GMT- IP address: 184.167.7.170
-  Document e-signed by Robert Norton (bobnorton51@gmail.com)
Signature Date: 2023-02-17 - 4:18:39 PM GMT - Time Source: server- IP address: 184.167.7.170
-  Agreement completed.
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