

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT  
MINUTES OF THE BOARD MEETING  
April 21, 2022**

A public meeting of the Directors of the Skyline Improvement and Service District was held on April 21, 2022 via Zoom.

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

**1. Call to order**

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

**2. Adoption of Agenda**

**Action:** Kurt made a motion to approve the board agenda. Latham seconded and the motion passed 3-0. Worthy Johnson asked if only the Board is able to make changes to the agenda. That was confirmed by Kurt.

**3. Public Comment on items not appearing on the agenda**

Worthy Johnson noted that notification to owners, on a monthly basis, of the water utility upgrade and system would be beneficial. In addition, Teton County recently updated bear proof trash can requirements as of July 1, 2022. Providing information to homeowners of programs to subsidized the cost of can replacement would be beneficial. Owners can contact Drew Gath, program director for JH Bear Solutions, [jhbearsolutions.org](http://jhbearsolutions.org), for more information.

**4. Review and approve Board Minutes of 3/17/2022**

**Action:** Jim made a motion to approve the minutes of 3/17/22. seconded and the motion passed 3-0.

**5. Correspondence received**

Emails from Messrs. Johnson, Minter and Machol, attached.

**6. Review 9-months March YTD actuals vs. full year FY 2021-22 budget**

Jim reported that as 9 months of the fiscal year or 75% of the year being complete, total revenues are 64% of budget. This is due to the timing of funds being received through the property tax collection. Total cash

expenses are 61% of the fiscal year budget.

**7. Review Treasury Report as of 3/31/2022 and approve invoices for payment**

Jim reported that Skyline deposits in all accounts as of 3/31/22 totalled \$556,101.02 after deducting \$22,500.00 of refundable deposits. This includes two new owner deposits of \$5,000.00 each. Road reserve \$384,069.87 Water Reserve \$88,088.53.

Jim read the below list of invoices as of 3-31-22:

Teton Environmental Health LLC	\$20.00
Western States Equipment	\$816.45
Lower Valley Energy	\$296.56
Clearwater Operations & Services	\$931.25
Mountain Property Management	\$2250.00
Evans Construction Company	\$5151.65
Teton Financial Consulting	\$320.00
<b>Total</b>	<b>\$9785.91</b>

**Action:** Jim made a motion to approve the payment of the invoices totaling \$9,785.91. Latham seconded the motion, which passed 3-0.

**8. Status of April Meter Readings and Follow-up**

Jim reported that 30% of homeowners have replied to the initial meter reading request. This is not unusual and many owners have internal reminder to send as of May 1<sup>st</sup>. Mountain Property Management will send a reminder to owners on Friday, April 29<sup>th</sup>.

**9. Next Board Meeting – May 19, 2022; 4 p.m. – 6 p.m. MST**


**10. Other Items**

Tanager sign has been ordered, waiting on delivery  
Owners will be notified when the roads will be swept.

**11. Adjournment**


Kurt made a motion to adjourn the meeting. Jim seconded the motion, and the motion passed 3-0. The meeting adjourned at 4:22 p.m.

Approved

  
Kurt J. Harland (May 27, 2022 14:00 MDT)

Kurt Harland  
Chairman

Approved

  
Latham Jenkins (May 27, 2022 14:58 MDT)

Latham Jenkins  
Vice Chair



Jim Lewis <jamesf5546@gmail.com>

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## Skyline Ranch Water District Ability to Meet Future Water Demand

1 message

michael minter <trewil@hotmail.com>

Sat, Mar 26, 2022 at 12:03 PM

To: Kurt Harland <thekurtharland@gmail.com>, Jim Lewis <jamesf5546@gmail.com>, Latham Jenkins <latham@circ.biz>

John Willott's 2017 Skyline Ranch water study reported that the two wells(#2 and #3) could pump 1,149,000 gallons/day or over 419,000,000 gallons/year. Skyline has been consuming around 25,000,000 gallons/year.

In 2021, the maximum reported average weekly usage was 216,857 gallons. The two wells have the capability to pump 8,000,000 gallons per week. **It appears that Skyline Ranch has more than adequate water production to meet future demand.**

I may be missing something. I may not fully understand fully the operational aspects of the system, but thought I would offer my perspective.

### Water Usage(2021)

Average Weekly Maximum	216,857 gallons
Annual Total Usage	24,953,000

Why won't Well #2 meet future demands, especially when if #2 and #3 could be wired/programmed to operate simultaneously(which John Willott has previously suggested)? It appears if one of the wells were out of service, water demand could still be met by one well.

	gal/minute	gal/day	gal/week	gal/year
Well #2	361	520,000	3,638,880	189,221,176
Well #3	<u>437</u>	<u>629,280</u>	<u>4,404,960</u>	<u>229,057,920</u>
Total	798	1,149,280	8,043,840	418,279,680

Thank you. Mike Minter

**office@skylineranchisd.com**

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**From:** Worthy Johnson <wjohnson@lawrencecapitalmgt.com>  
**Sent:** Monday, April 18, 2022 4:19 PM  
**To:** Kurt J. Harland; Carly Schupman  
**Cc:** mariajohnson53@gmail.com  
**Subject:** Here is the Article-Regs Aim to Protect Griz-Sophia Boyd-Fliegel Wednesday, 13 April 2022

**Importance:** High

[https://www.jhnewsandguide.com/news/environmental/county-beefs-up-wildlife-feeding-regulations/article\\_8b2c9c99-9e81-5fd7-91f8-2fa8791d9a8e.html](https://www.jhnewsandguide.com/news/environmental/county-beefs-up-wildlife-feeding-regulations/article_8b2c9c99-9e81-5fd7-91f8-2fa8791d9a8e.html)

Worthwhile addressing and posting on the website.....W  
W&M

----- Forwarded message -----

From: **Warren Machol** <[wlm.assoc@gmail.com](mailto:wlm.assoc@gmail.com)>

Date: Wed, Apr 20, 2022 at 11:25 AM

Subject: Documentation of March Board meeting & request for 2022-23 tax discussion at May meeting

To: Kurt J. Harland, Brokers of Jackson Hole Real Estate <[kurt@bhhsjacksonhole.com](mailto:kurt@bhhsjacksonhole.com)>, Jim Lewis <[james15546@gmail.com](mailto:james15546@gmail.com)>, Latham Jenkins <[latham@circ.biz](mailto:latham@circ.biz)>, Skyline Ranch Improvement & Service District <[info@skylineranchisd.com](mailto:info@skylineranchisd.com)>

ISD Board and interested community members

Although I hoped for the best, I planned for what has become a pattern of inaccurate and incomplete information in the ISD Board meeting minutes. It is 4 20 22 at noon, the day before the April board meeting, and Minutes from the last meeting have still not been posted.

**Please attach both this email and the attached Pdf to the board draft minutes of the March meeting. It will complete the record and document the Board's actions and beliefs.**

In addition to providing documentation of the March board meeting, I formally request the Board schedule time at the May meeting to discuss the methodology and information the board intends to use to Tax its members for the 2022 -23 fiscal year.

To facilitate the discussion of Taxation of ISD members, I will send it under separate covers:

1) Analysis of the ISD Board's water consultant Carl Brown's cost allocation analysis. ( confidently similarly to the WWDC level 2, board request of Nelson engineering)

2) The previous five years of cost-shifting have created excess revenue ( \$66,000) used for general account purposes to subsidize current low and none water users' fixed fees.

3) The 20-21 year repair and infrastructure burden <sup>miss</sup> allocated to current water users.

Each will be helpful to document the board's previous errors or intent to cost-shift fixed costs to variable costs allocated to a minority of ISD members. It will also demonstrate the board members' material and ongoing personal benefits of cost-shifting.

Please schedule at least one hour for this vital conversation. In previous years Tax decisions have been made at the last moment and jammed through without analysis, facts, or documentation.

Thank you in advance for scheduling appropriately.

Warren Machol

ISD member

**WLM Associates**  
500 NW Ridge Rd  
Jackson WY 83001

307 734 1920 (o)

917 455 7470 (c)

**Documentation of conversation from March 17, 2022  
To be attached to March board minutes for accuracy  
Prepared by Warren Machol, ISD Members**

At the March ISD board meeting, three noteworthy comments were made by ISD Chairman Kurt Harland and Treasury / Secretary Jim Lewis that are worthy of a written statement as I expect the "Official" minutes to be mute on the subjects.

All Three comments revolved around the Board's ability to ignore facts, reality and institute policies and agendas without consistency or transparency.

1. **Lack of accurate ISD Board Minutes:** When it was pointed out there were specific errors and omissions in the February meetings DRAFT board minutes, Kurt explained that the Board felt no need to accurately document what non-board members said.

- Kurt explained that only noting someone spoke was the same procedure the Teton county commissioners employed. Mr. Machol said he had heard the same error repeated previously and pointed out that Teton county electronically records what is said and makes it available to all who want an accurate record.

- Mr. Machol asked if the Board was recording the meetings. Both Kurt and Mr. Lewis stated the meetings were not being recorded. (Mr. Machol repeated he is recording the sessions for accuracy).

- Mr. Machol asked why the Board would not correct apparent errors in the Draft minutes. Mr. Harland would not respond.

- Mr. Machol rhetorically asked what the Board was trying to hide in the process of publishing and signing inaccurate “official business records”?

- Mr. Machol pointed to several specific sections in the February minutes where comments were not documented or attributed. • **Example: Item #7 Annual water quality report** No public comment is mentioned – However, Mr. Machol asked that the following be entered into the official record during the February meeting:

- The water quality from Skyline’s two active wells (#2 and #3) is nearly perfect, in fact, better than most bottled water. See the Teton conservation water report and plot our results.

- Water availability is unlimited and in quantities far above community demand from the snake river aquifer.

- Finally, the Board’s objective is to use the excuse of “Conservation Rates” (Penalty rates above the actual cost of production) to shift the costs of long-term infrastructure and the building of water reserves to current water users.

- Shifting fixed costs is both devious and monetary fraud that creates the personal gain of board members.

- Mr. Machol went on to say that he has requested the board record all meetings. He has made this request often over the previous two years, but the Board has rejected all requests. • Worthy Johnson pointed out that the Board had purchased with ISD tax dollars a tape recorder for use when meetings were held in person. Mr. Johnson went on to say that since “all meetings for the last two years have been on zoom, both a video and audio recording were just toggling a switch by the host.”

- Worthy also pointed out the Board had recorded and made available some portions of meetings so they could record. He requested all ISD meetings be recorded henceforth.
- Finally, Mr. Johnson pointed specifically to what was said by Mr. Machol in section #9, borrowing to pay for well #4. The public comment attributed to Mr. Machol is inaccurate. He requested the Board accurately reflect the words said and fix the Draft minutes for accuracy.
- The Chairman refused to address any of the errors or omissions in the February Minutes. He called for a vote to approve. It passed 2/0.

**2. At one point in the meeting, the Chairman tried to interrupt the conversation about the water system and Billing rates. Kurt said the ISD board was elected by members to do as they felt best.**

- Mr. Machol corrected the Chairman and explained that the Chairman's view might be accurate in taste, opinion, or politics. However, in issues of **fact and especially in the process of "Taxation of ISD members," the ISD board is held to a standard of Fiduciary duty and Diligence.**
- The ISD laws of WY read the Fair and Equitable allocation of costs, not the concept of "Fairness" based on the previous year's water usage pushed by the Board's agenda.
  - i.** Costs that are attainable to infrastructure, reserves for future projects, and repairs of existing infrastructure that are aging out benefit all members (existing home or an underdeveloped lot) equally. Without a robust water system, the properties are equally worthless. Neither the quantity of water produced (stable for years) nor the lack of water use is correlated to these costs or outcomes.
  - ii.** The Board's responsibility is to know and document the difference between fixed and variable costs and why they are allocated.
  - iii.** Allocating costs without documentation is inappropriate and not in keeping with the "Fiduciary Duty" of Wyoming elected officials.

- The Board has depleted over \$350,000 in "Water Reserves" in the last five years for the benefit of all members of the ISD. • **These expenditures include:**
  1. Fire hydrants (a project with substantial cost overruns, paid by reserves).
  2. Pumphouse replacement (the roof collapsed due to age) is an event not correlated to water variable usage.
  3. The Initial Water study – produced by Jorgenson engineering, paid for using water reserves.

4. WWDC level 2 study – Net (of grant) paid by reserve resources.
5. Sunk costs this year for
  - a. Proposed remote water reading loan
  - b. Proposed Well #4 Grant – (that, according to John Williot, esteemed well engineer, IS NOT REQUIRED at this time)
    - None of the listed projects are related to current water usage. These are expenses for which each lot (member) is equally responsible.
    - **The Board's objective is to have current water users pay most of these costs as a function of water consumed or used for irrigation purposes.**

### **3. Jim Lewis asked if it was inferred there was a conspiracy in the written language of calling board actions nefarious.**

- Mr. Machol replied that the ISD Board's actions of ignoring the members with subject matter expertise, willfully withholding information (that legally should have been disseminated before public legal meetings), and spending ISD funds with the intent of skewing the outcome of reports of engineers and consultants are FACTS, not conjecture.
- The ISD's Board's agenda to "Shift Fixed Costs" to current water users that are related to
  - The Buildout of water system infrastructure,
  - Water development and
  - Replenishment of "Water Reserves" depleted in the last four years.
- Assessing the responsibility of paying for repairs associated with an aging water system based on current water usage is illegal and done for the financial benefit of Board members and other low or non-current water users.
- The Board is fully aware of its actions and the economic harm they are causing a minority of ISD members.
- Board members are attempting to officiate by complexity and lack of clear transparency the true allocation of costs
- **Mr. Machol pointed out that one of the only questions the ISD Board allowed time for Carl Brown of Great rates water consulting to answer was that of Jim Lewis (Carl's primary contact for the report).**
- Mr. Lewis posed the question, "If the Board does not impose a "Conservation Rate" (which even Mr. Brown said he did not understand the need for), **What water rate would be required?"**
- Mr. Brown said by taking the "**Total revenue desired to be extracted from water users**" by the Board the rate required would be \$2.6/ 1000 gallons.



The keywords – "the Total Revenue desired to be extracted from water users"

**Not the correct costs accounted for the cost of producing water charged to those who use water this current year.**

The ISD Boards' agenda of **Arbitrarily allocated\*\*** costs to current water users vs. equally based on membership in the ISD has become ingrained in thinking and actions.

**Yes, Mr. Lewis, to directly answer your question, the historic act have been Nefarious acts.** These acts must be addressed, documented, and reversed before further damages are incurred to ISD's current water users.

**\*\* Arbitrary is** Defined as based on random choice or personal whim, rather than reason or system.

No facts or accounting documenting the actual cost to produce and deliver water. Just the Arbitrary "**Total revenue desired to be extracted from water users by the Board.**"









# Skyline 4-21-2022-2

Final Audit Report

2022-05-27

Created:	2022-05-27
By:	Mountain Property Management (info@mpmjh.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANKVTyOP57UHnc1COI11p_dw8Vh4hVaUv

## "Skyline 4-21-2022-2" History

-  Document created by Mountain Property Management (info@mpmjh.com)  
2022-05-27 - 4:21:58 PM GMT- IP address: 207.183.166.24
-  Document emailed to Kurt J. Harland (kurt@bhhsjacksonhole.com) for signature  
2022-05-27 - 4:27:29 PM GMT
-  Email viewed by Kurt J. Harland (kurt@bhhsjacksonhole.com)  
2022-05-27 - 5:28:01 PM GMT- IP address: 74.125.215.90
-  Document e-signed by Kurt J. Harland (kurt@bhhsjacksonhole.com)  
Signature Date: 2022-05-27 - 8:00:21 PM GMT - Time Source: server- IP address: 72.175.144.94
-  Document emailed to Latham Jenkins (latham@livewaterproperties.com) for signature  
2022-05-27 - 8:00:23 PM GMT
-  Email viewed by Latham Jenkins (latham@livewaterproperties.com)  
2022-05-27 - 8:18:37 PM GMT- IP address: 107.115.41.24
-  Document e-signed by Latham Jenkins (latham@livewaterproperties.com)  
Signature Date: 2022-05-27 - 8:58:55 PM GMT - Time Source: server- IP address: 107.115.41.24
-  Agreement completed.  
2022-05-27 - 8:58:55 PM GMT