

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING
April 12, 2018**

A public meeting of the Directors of the Skyline Improvement and Service District was held on April 12, 2018, in the Community Room at Jackson Hole Grocer in Jackson.

The following Directors, constituting a quorum, were present: Kurt Harland, Latham Jenkins and Jim Lewis. Also attending was Carly Schupman, ISD bookkeeper.

Homeowner's present: Ila Rogers, Carol McCain, Josh Thulin and Renee Glick.

Shawn O'Malley of Jorgenson Engineering and Emily Hanner of Clear Water Operations also attended.

Kurt, serving as Chairman, called the meeting to order at 4:02 pm.

1. Approval of 2-8-18 regular board-meeting minutes

Jim noted that attached to the minutes are Ila Rogers memo to the board, as well as Shawn O'Malley's update on the Water Infrastructure study.

Action: Kurt made a motion to approve the minutes as submitted. Jim seconded. The motion passed unanimously.

2. Changes to the Agenda

Jim added two items under agenda item #4 (new bullet points 4 and 5)

-Approve renewal of maturing CD at First Western Trust

-Approve liability insurance quote for Site Committee and ARC from Tegeler Insurance.

3. Public comment on things not appearing on the agenda

Kurt stated there's been substantial damage to the dirt off the easement on Mallard Road, during the runoff. Josh Thulin brought to the attention of the board that it was Evans Construction's snowplow pick-up truck as he happened by just after it happened. Kurt will contact Evans to repair the impacted areas before spring cleanup.

Jim mentioned that on Meadowlark, there's a perfectly round borehole, about 4 inches wide and 5 inches deep. Josh said that Bob Norton may know and Kurt will contact him.

Kurt mentioned the potential water leak on the Thulin's property but it appears to be the result of runoff, but it was noted to keep an eye on that once the snow is gone. Renee asked if the stop sign was going up the corner of NW Ridge Road and W. Teal. Kurt responded that it would be. Kurt asked Jim to provide a count of the approved signs.

Ila asked about getting the draft Minutes out before the next meeting. Jim agreed to get the draft minutes out a few days prior to the May meeting. In those instances where we skip a month, Jim said he'd get them out within 30 days of the board meeting. Latham will upload the draft minutes onto the website.

4. Review correspondence/docs presented by Carly

-Approve accounting policy for capitalizing fixed assets

Jim presented a capitalization policy that he received from Barb Fields, who completed the updating of the ISD's fixed assets and depreciation. Thompson Palmer, CPA's, which they have circulated to their ISD clients, prepared this policy. The policy calls for a \$2,500 threshold amount for minimum capitalization. Any items costing below this amount would be expensed.

Jim made a motion to approve a capitalization policy whereby assets costing \$2,500 or more would be capitalized. Amounts below that would be expensed. Latham seconded. The motion passed unanimously. Jim said he'd draft a policy, which would largely be what Thompson Palmer circulated, and this would be effective July 1, 2018, so this current fiscal year would be covered.

-Present updated fixed asset and depreciation schedule based on historical costs.

Jim presented the schedule for FY 2017-18, 2018-19 and 2019-2020 based on the ISD's at historical cost. Should there be additional assets purchased during this timeframe which will be the case given our water infrastructure project, this schedule will be updated. Jim noted that based on historical costs our net book value of our water assets along is less than \$200,000 but according to Jorgensen, the replacement cost of the water assets would be approximately \$1.8 million.

-Approve commencement of charging interest of 1.5% per month on past-due A/R's effective April 30, 2018.

When the Water Rules and Regulations were approved by the board last Fiscal Year, after public comment, there was a provision in the regs which call for charging interest on past due A/R's at 1.5% per month (18% p.a.). Although the regs have been in place for over 9 months, the board has not explicitly approved the commencement date for starting to charge interest.

Jim made a motion to commence the charging of interest at 1.5% per month, on receivables, which are 30 days, or more, past due, effective May 1, 2018. Latham seconded. The motion passed unanimously.

-Renew proceeds of maturing CD at First Western Trust for another term.

As we don't know what our water project costs will be in the next fiscal year until we complete our budget, Jim made a motion to open a money market account at First Western Trust at a rate of .40% p.a. to hold the proceeds of the maturing CD. Kurt seconded, and the motion passed unanimously. New account opening documentation for the MMA account may need to be signed by the directors.

-Approve Tegeler Insurance premium quote.

Jim said that our current liability insurance for the Site Committee and ARC expires around the date of our May board meeting so we need to approve the new policy premium at this meeting. Jim made a motion to approve the renewal of the \$1,000,000 policy for the premium of \$850 (same as prior year). Kurt seconded the motion, which passed unanimously.

5. Review FY budget vs. 9-month March 31st actual

Carly noted we continue to be over budget in postage, office supplies, advertising, and property liability. Given the way expenses are tracking it doesn't appear that we will need to amend our budget as we are below our overall expense budget.

6. Review Treasury Report, pay bills, outstanding A/R from homeowners

The list of vendor invoices for March was reviewed.

Action: Kurt made a motion to approve the invoices submitted on Carly's list dated totaling \$8,686.33, subject to holding back Evan's until Kurt talks with them tomorrow about the road damage. Latham seconded the motion. The motion was approved 2-0, with Jim abstaining as the invoice for \$125 is a reimbursement to him for the June board meeting room charge at the American Legion, and he should abstain from voting on his own reimbursement. The corresponding approved checks were signed.

As of March 31st, ISD fund balances totaled \$435,922.48.

The A/R's were discussed. Only one homeowner is past due.

Carly updated the gas survey results and we had a total of 22 responses, there were 12 yes's, 9 no's and one undecided.

7. Update from Jorgensen Engineering and Clear Water Operations on Water Infrastructure Project.

Shawn O'Malley of Jorgensen discussed with the board their meeting with Control System Technology, Inc., (Idaho Falls) regarding the estimated cost for the controls upgrade for Skyline's pump station. The cost estimate was for all controls, programming, and installation, testing and training to completely remove and replace all the water controls. The estimated cost was about \$30,000, although about \$3,000 relating to the fiber optics could be delayed. This excludes taxes. This upgrade is central to integrating our water system tracking, and allowing real-time review by Clear Water.

However, in terms of sequencing things, it would be important to deal with putting a new roof on the pump house so it doesn't leak and Shawn recommended that a

structural engineer come out and assess the existing structure and the foundation before determining the design of the roof.

Kurt asked whether a replacement, larger capacity, pressure tank is needed, as while the roofs off, it would be the optimal time to drop a larger tank in. Shawn didn't think we needed a new or larger tank as Michael Wareing of Control System Technology was familiar with the model and said they worked great. Shawn did say that since the tank has never been cleaned, that this should be done, as some nearby homeowners have experienced gravel/grit in their water tank.

Shawn thought by shutting it down for a day, draining it, and having it cleaned with a pressure hose, could remove any accumulated sediment. Emily said that she checks for bacteria levels near the tank, and there's never been an adverse reading.

There was some discussion whether the pressure tank had an inner bladder, and Shawn's assessment and based on his discussion with Mike Wareing, was that it did not have a bladder, and it was simply the air pressure within the tank that kept water flowing. The inspection of the tank and cleaning, would also confirm whether there was a bladder or not. If there were a bladder, the configuration of the controls would need to be modified to address this.

Kurt asked whether the tank would last another "20-30-40" years and Shawn said that since we were not chlorinating our water, there are no chemicals in the tank, that overtime, could wear on the tank. But as part of the cleaning, we'd be able to determine if there was some wear and tear.

Kurt made a motion to enlist a Jorgensen structural engineer at a cost not to exceed \$1,000 to visit and prepare a study of the existing pump house foundation and building structure to ascertain optimal design for a new slanted roof provided, replacing the old flat roof that leaks. Jim seconded and the motion passed unanimously.

The consensus of the board and Jorgensen Engineering was that the following sequencing of activities occur:

1. Review by Jorgensen's structural engineer of pump house foundation and structure, (1a) Con-currant with the cleaning and inspection of the tank, (and assuming that the tank is sound and doesn't need replacement),
2. The pump house roof repair/reframing is done this summer (pending getting cost estimates) and,
3. We move forward on the replacement of the water/well controls, install proper heating in the structure,
4. But wait on the fiber optic connection down to the wells.

Jim asked about whether the wells should be serviced, as they've apparently never been serviced, despite suggested servicing every 10-15 years. Emily will get a cost estimate.

Jorgensen will provide estimates for a fire hydrant(s), optimally placed, in the list of possible improvements.

Ila Rogers enquired about the cost of radio-read water meters given the poor accessibility of many homeowners' meters. Josh Thulin said that replacement meters would cost about \$1000 each, including installation. However, this could vary as some meters may be more accessible and relatively easy to replace (i.e. less labor) and others more difficult, if they are in hard to reach places.

8. Discussion of road assessment methodology for FY 2018-2019 (Ila Roger/Susan Dong)

As the board received a number of comments regarding the road assessments for FY 2017-18, the Board requested homeowners Ila Rogers (Mallard) and Susan Dong (Meadowlark) to review the methodology, consider options, and make a recommendation to the Board at this meeting.

The presentation is included in these minutes as Exhibit A.

Of their three options presented, they recommended Option B, which was to base the allocation on East/West linear feet of roadway, which is broadly in line with the approach used since 1989. As the total linear feet of roadway in Skyline is 14,417, the East's piece of 5,478 feet would equate to 39% of the total roadway. The balance of 8,939 linear feet (61%) would fall within the West.

Jim said he had received an email from Lara Manson, who was unable to attend the meeting. Jim read the email and it is attached to these minutes as Exhibit B. Jim summarized the homeowner's input as:

- 1) Being in support of a linear approach for the road assessments.
- 2) Not in support of an additional road assessment for an ARU/guesthouse due to the de minimis and unquantifiable additional wear and tear on the road

9. Request by homeowner for additional mailbox stand.

Jim said that we have 61 mailboxes in the 3 banks, and a new homeowner has requested a box. Josh Thulin said that there are a number of mailboxes that aren't being used. It was decided to first ask the mail lady of any unused boxes and proceed from there.

10. Review and approve draft RFP regarding cul-de-sacs at Killdeer and Tanager Lane

Kurt made a motion to approve sending out the RFP to the three local engineering companies. Latham seconded and the motion passed unanimously.

11. Consider road assessments for lots with ARU/Guesthouses

The Rogers/Dong presentation also addressed ARU's and their recommendation was an additional 50% and if it were a guesthouse, not used for more than 30 days (instead of an ARU which is occupied for more than 30 days), there would be an

additional 25%. The issue that was raised was the policing of amount of usage of guesthouses.

Josh Thulin suggested a vote of the homeowners on this issue.

Renee Glick felt that the amount of additional road usage for either an ARU or guesthouse is de minimis, especially when you consider that there are quite a few homes in Skyline used seasonally, and only use the roads part of the year.

Lara Manson's view is included in Item #8 above.

A board decision will be taken at the May meeting.

12. Discussion of April task list

- Kurt and Latham will work on getting the approved road signage up as well as the reflective green street signs.
- Curb stops under asphalt on homeowner's property/driveway- accessing the curb-stop would be at the homeowner's expense. If the curb-stop were under the road asphalt, it would be at the ISD's expense.
- Easement to lower pump house- Kurt will walk it out and determine where the easement should go.
- Fleck's meter is installed and it reading usage.
- Jim will send out communication on behalf of the board regarding checking irrigation lines for metering and having a backflow preventer installed.
- Possible change in bylaw's by expanding the role of the ISD board to include the activities of the Site Committee. This could eliminate one liability insurance premium.

10. Other Business

None.

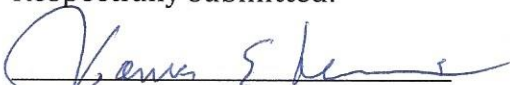
11. Next meeting

The next meeting will be held on Thursday, May 10, 2018 and will be held at the Berkshire Hathaway offices.

12. Adjournment

There being no other business, Kurt adjourned the board meeting at 6:05 pm.

Respectfully submitted:



Jim Lewis
Secretary



Kurt Harland
Chairman



Latham Jenkins
Vice Chairman