

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING
May 20, 2021**

A public meeting of the Directors of the Skyline Improvement and Service District was held on May 20, 2021, via Zoom.

Kurt Harland, Latham and Jim Lewis constituting quorum were present. Latham Jenkins was absent. No homeowners were present initially.

Kurt, serving as Chairman, called the meeting to order at 4:01 pm.

1. Review and approve Board minutes of 4/22/2021.

Action: Kurt moved to approve the minutes. Jim seconded. There being no discussion or further changes, the motion carried 2-0.

2. Changes to agenda

Jim said the date on item #1 should be changed to 4-22-21, from 4-20-21.

As no homeowners were in attendance, Jim asked that agenda item #8 (interim proposed FY 21-22 budget) be moved to the end of the meeting to allow more time for homeowners to zoom in.

3. Adoption of agenda

Action: Kurt made a motion to adopt the agenda as corrected. Jim seconded. The motion passed, 2-0.

4. Public comment on items not appearing on agenda-None

5. Correspondence received by Office- None

6. Review 10 mos. actual P/L through April 30, 2021 vs full FY 2020-21 budget

As 10 months is 83% of the year, total revenues were 76.5 % of budget. The next property tax receipts should be received from Teton County Treasurer by May 31, at which time we should be at or close to 100% of budget. Total expenses for the 10 months are 83% of full year budget.

7. Review Treasury Report as of 4/30/2021 and approve payment of invoices.

As of April 30, 2021 total funds in all District financial accounts total \$507,258.19, including \$12,000 in the restricted LVE Gas pipeline account. Subtracting out the LVE restricted funds from the 4/30/21 balances, net Skyline balances were \$495,258.19 compared to net balances of \$496,200.13 at 3/31/21. Additional funds, earmarked as refundable road damage deposits for homes under construction total \$12,500.

The below list of invoices as of 4-30-21 were reviewed by the Board for approval:

Clearwater Operations & Services	\$ 1,147.50
Evans Construction	741.00
Lower Valley Energy	205.67
Teton County Environmental Health	20.00
Teton Financial Consulting	3,315.00
Jim Lewis	65.70
Bob Norton	242.42
TOTAL	\$ 5,737.29

Action: Kurt made a motion to approve the current invoices as of 4-30-21 totaling \$ 5,737.29. Jim seconded the motion which carried unanimously 2-0.

8. Review and approve initial proposed FY 2021-22 budget-

This agenda item was moved to the end to allow more time for homeowners to join.

9. Approve changing next two board meeting dates to June 17th and July 15th.

Kurt made a motion to change the next two board meeting dates from June 10th and July 8th to June 17th and July 15th respectively. Jim seconded the motion which passed unanimously, 2-0.

10. Consider Survey Monkey questionnaire in June to homeowners to gauge interests in future long-term improvements and shorter-term activities.

Kurt and Jim thought this was a good idea, mainly in areas currently not being considered by the ISD. Jim will try to put something together for either the June or July meetings.

11. May 21, 2021 visit by Robb Sgroi of the Teton Conservation District to view easements to assess wildfire risk and make mitigation recommendations to the District.

Jim said that he and homeowner Arne Johansen have an appointment with Robb Sgroi for him to view and photograph Skyline's easements so he can make a recommendation to the ISD prior to the June board meeting.

12. Status of the gas line project

Jim said that the laying of the line is nearly complete but there's site repair is needed to be done as Dr. Fleck, the Linton's, the McNeil's and the Machol's are not happy with where things stand. Jim said he has communicated this to LVE.

As some point, LVE will ask the District for a final walk-thru prior to requesting the final contracted payment of \$12,000 and Jim asked that Kurt and Latham to personally look at the work on upper NWR so we're all prepared when the meeting with LVE occurs. The other issue that needs to be discussed is the possibility of frost heaves in the winter along the +/- 300 ft of road cut LVE made in the road. Jim said that LVE called him before they cut the road, as they were concerned about damaging the water infrastructure. Jim said he gave verbal approval to LVE.

13. Other business

Next meetings: 4pm-6pm; June 17, 2021
 July 15, 2021
 Aug. 19, 2021
 Sept. 16, 2021

Attendance via Remote Access: <https://us04web.zoom.us/join>, ID: 301 092 4055
 4pm-6pm.

8. Review and approve initial proposed budget FY 2021-22 Budget
 (This item was moved to the end to allow late arrivals to the meeting).

The initial proposed budget was posted to the website and are attached to these minutes.

Jim said that looking at the initial proposed budget for next fiscal year, the District is forecasting total revenues of \$197,516, an increase of 5.2% over the current year's budget of \$187,692. Total Expenses, including depreciation, is forecast to be \$196,926, an increase of 5.7%.

Turning to the road budget:

	FY 21-22	FY 20-21	increase (decrease)
Revenues	\$109,329	\$112,970	(\$3,641) -2.7%
Expenses	64,661	68,361	(\$3,700) -5.5%
Depreciation	44,299	44,299	-
Total expenses	\$108,960	\$112,660	(\$3,700) -3.2%
Net income	\$ 250	\$ 419	

This road budget breaks down into the following road related assessments for FY 21-22 as compared to FY 20-21:

	FY 21-22	FY 20-21	
Road Maintenance (West)	\$502.34	\$576.02	
Road Maintenance (East)	\$318.75	\$365.50	
Road Overlay (West)	\$549.23	\$549.23	
Road Overlay (East)	\$348.50	\$348.50	
Road Chip seal (West)	\$308.10	\$308.10	
Road Chip seal (East)	\$195.50	\$195.50	
Road overhead (West)	\$ 82.33	\$ 62.89	
Road overhead (East)	\$ 82.33	\$ 62.89	
Total Road (West)	\$1,442.10	\$1,496.24	(\$54.14)
Total Road (East)	\$ 945.08	\$ 972.39	(\$27.31)

Turning to the Water budget:

	FY 21-22	FY 20-21		
Revenues	\$88,187	\$74,782	+\$13,405	+17.9%
Expenses	\$76,360	\$63,180	+\$13,180	+20.8%
Depreciation	\$11,656	\$10,402	+\$ 1,254	+12.1%
Total Expenses	\$88,016	\$73,582	+\$14,434	+19.6%
Net Income	\$ 625	\$ 1,200		

The water assessments are forecast to be:

Water maintenance	\$292.92	\$224.20
Water overhead	\$328.13	\$314.95
Total water	\$621.05	\$539.15

Jim said that water user rates forecast at this point for next FY would be \$1.45/1000 gallons compared to \$1.40/1000 gallons this year.

The principal reason for the increases in our water budget, given Skyline's ageing water system, more repairs and maintenance is anticipated coupled with higher cost inflation. In addition, a higher water contingency is forecast as we experienced unanticipated expenses this year for our water tank inspection.

Warren Machol joined during this portion of the discussion and commented that he felt that the repairs and maintenance budget should be allocated prorata among all homeowners equally, rather than being included in the water user rate calculation. Jim disagreed and said the methodology used in this budget was exactly the same as last

year.

Jim said that this year's water interim proposed budget comes with a big caveat as the District should be getting the draft final report from Nelson Engineering on the Level 2 WWDC's water system study by June 1. This report will include recommended water rates which will be incorporated in our Level 3 application to the WWDC, given our grant funding request, which has a September 1, 2021 deadline. The WWDC will decide on our application in late 2021 and if approved will go to the WY state legislature in the spring 2022 session for funding approval. The same schedule is anticipated for our application to the Wyoming Drinking Water State Revolving Fund for grants for recommended water capital items not covered by the WWDC.

Any recommended change in our water rates by Nelson Engineering in their report to the WWDC will be considered for adoption in a final proposed budget at our June 17th board meeting.

Action: Kurt made a motion to approve the interim proposed budget as presented. Jim seconded the motion.

Public comment: Warren Machol objected and Jim requested that he put his views in writing. The attached emailed public comment was received from Mr. Machol on June 29, 2021.

The motion passed unanimously, 2-0.

14. Adjournment

Kurt made a motion to adjourn the meeting. Jim seconded the motion which passed 2-0. The meeting concluded at 5:03 pm.

DocuSigned by:
Approved
Kurt Harland
Kurt Harland
Chairman

DocuSigned by:
Approved
Jim Lewis
3FD5497217A344C...
Jim Lewis
Treasurer/Secretary

May 20, 2021 public comment (received by Secretary June 29, 2021)

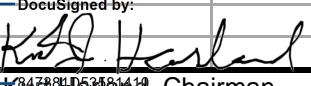
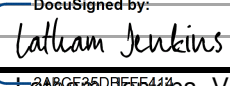
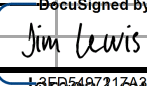
Mr. Machol questioned why after the five years of his pointing out the board's error in allocating all repairs based on the member's water used, the ISD Board could not produce any facts or data correlating the amount of water used and repairs are related. Nor what materials, age, or location had more to do with repairs to water lines.

Mr. Machol pointed out that although the cost of electricity had not materially changed, the board had increased the charges on water used 22% in the last five years from \$1.2/ thousand to a proposed \$1.45/ thousand.

He pointed out the board was not appropriately accounting for money collected for repairs by creating a fund for future repairs to make matters worse. Instead, annually the board was depositing excess collect water usage taxes (\$/ thousand gallons) and subsidizing low and non-water user's cost of system operations. He pointed out that taxing a minority of members to subsidized other members is an illegal action.

Mr. Machol once again asked the board for an accounting by lot for each of the last five years of taxes collected based on water usage. He also requested a list of repairs the ISD completed (materials used and replaced) identified by lot and costs for each of the last five years. Finally, the amount each year of excess collected water usage taxes deposited in the general funds.

In his final comment, Mr. Machol asked the board to reconsider the proposed allocation of costs in the 21-22 budget. The board is now fully aware of the cost-shifting between members and the legal ramifications.

SKYLINE IMPROVEMENT & SERVICE DISTRICT				
2021-2022 Budget (page 2 of 2)				
PROPERTY ASSESSMENTS:				
Road Maintenance Assessment*				
5110	West Sub District 48 lots (64.30%)	\$ 502.34	24,113	Note (1)
5110	East Sub District 42 lots (35.70%)	318.75	13,388	
			37,500	
Road Overlay Assessment*				
5120	West Sub District 48 lots	549.23	26,363	Note (1)
5120	East Sub District 42 lots	348.50	14,637	
			41,000	
Road Chipseal Assessment				
	West Sub District 48 lots	308.10	14,789	Note (1)
	East Sub District 42 lots	195.50	8,211	
			23,000	
Road Overhead				
	West Sub District 48 lots	74.00	3,552	Note (1)
	East Sub District 42 lots	74.00	3,108	
			6,660	
Water Maintenance Assessment*				
5135	6 land lots + 84 Homes + 1 ARU	270.95	24,656	Note (1)
Water Overhead				
	6 land lots + 84 Homes + 1 ARU	348.46	31,710	Note (1)
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Kurt Pfandl, Chairman	Latham Jenkins, Vice-Chairman	James Lewis, Treasurer		
Note 1	Lots 15 & 16 are one lot (vacated lotline)			