

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING**

July 13, 2017

A public meeting of the Directors of the Skyline Improvement and Service District was held on July 13, 2017, at 4:07 pm at the office of Berkshire Hathaway in Jackson, Wyoming.

The following Directors, constituting a quorum, were present: Kurt Harland, Latham Jenkins and Jim Lewis. ISD bookkeeper Carly Schupman also attended. Chris Thulin attended late in the meeting.

Kurt served as Chairman, Latham served as Vice-Chairman and Jim as Treasurer/Secretary.

Kurt called the meeting to order at 4:00 pm.

1. Approval of 6-8-17 regular board-meeting minutes

Kurt made a motion to approve the minutes. Latham seconded. The motion passed unanimously.

2. Approval of 6-19-17 special board-meeting minutes.

Kurt made a motion to approve these minutes. Latham seconded. The motion passed unanimously.

3. Changes to the Agenda

Jim requested that the following two items be added to the agenda:

- #11a. Amended water service policy draft
- #14a. Gas lines for the rest of Skyline

4. Review correspondence/docs presented by Carly

Carly brought the directors up-to-date on various miscellaneous correspondence she's received.

5. Review Treasurer's Report, pay bills, A/R's/meter photos

The Board reviewed the Treasurer's Report dated 7/13/17. The July expenses totaling \$16,776.40, inclusive of a \$2,500 road bond refund, were submitted, and approved, for payment. The reserves as of 7/13/17 totaled \$352,414.91, which was broken down as follows:

- Road Reserve: \$ 24,534.69
- Water Reserve: \$292,186.75 (including accrued interest)
- Operating a/c: \$ 43,266.52
- Checking a/c: \$ 100.00

The board reviewed the bills needing payment. In the course of reviewing the bills, the board discussed considering a bill pay feature in the future. Jim asked Carly to draft a procedure that he would run by Donna Bauer, County Treasurer. Kurt made a motion to approve all invoices except for his reimbursement invoice. Latham seconded the motion. The motion carried 3-0.

Latham made a motion to approve the \$63.59 Staples invoice. Jim seconded. The motion carried 2-0, with Kurt recusing himself.

6. Review FY 16-17 budgets vs. 12-month June 30 YTD actual and FY 16-17 approved amended budget.

Jim said that our amended budget for cash expenses was \$199,000 and we finished the year at \$199,958. However, including depreciation, our actual full year total expenses finished \$349 below our amended budget.

7. Motion to suspend the board meeting

Kurt made a motion to suspend the board meeting. Jim seconded. The motion carried 3-0.

8. Call the Public Budget Hearing to order and ask for public comment on the proposed FY 2017-18 budget.

Kurt called the public hearing to order and asked for public comment. Jim said he received an email from Tom Kesman and subsequently talked with him on the phone. Tom and his wife Wendy own lot 3-10, between the Racow's and the Willett's. Jim handed our Tom's email and summarized the points raised in his email and his response:

1. Tom was seeking confirmation that putting more water related expenses on the tax bill was to make those expenses tax deductible. I replied that it was done to make our revenue collection more efficient, as it would be collected semi-annually by the County Treasurer without all the administration by our bookkeeper with 81 homeowners. On tax deductibility questions, we are advising all homeowners to check with their tax advisors to determine if they can deduct either or both of the two water components, the \$300 annual water system maintenance fee for homeowners (previously charged at \$75/quarter) and the flat-water charge of \$100 for FY 2017-18. For lot owner's only, there's the \$300 readiness to service fee. I told Tom that speaking for myself personally; I would not be deducting the \$100 flat charge. Tom felt very strongly, that after the one-year flat charge, that the ISD should adopt a tiered water pricing policy with everyone paying something regardless of usage, with higher charges for higher water users. He also was not in agreement with some base # of gallons being counted within the fixed \$300 per year. His reasoning was that he would be paying a \$300 fee as well, (readiness to serve), and would be unable to benefit from any water usage. Kurt responded that he actually could benefit if he choose to irrigate his property, using a meter, as another lot owner is doing to irrigate trees she planted without a house on her

property. Additionally Kurt said that all the things that the ISD is doing with the costs of the water infrastructure study, up to now, none of the lot owners have paid into the water reserves to fund these expenses or water related capital improvements.

2. Tom did not understand why no bills would be sent out in the coming year. He thought that the reason is that we were intending to move to get annual water usage for each property (with a 1-year lag), so that that would be put on the property taxes and be tax deductible.

I responded that the while we might possibly consider usage on a 1-year lag basis, we are looking at it solely from the standpoint of ease of administration and collection, not tax deductibility, as everyone's usage would be different.

Tom responded that that wouldn't be fair for those that sell homes, for example a family of 6 selling their home to a family of 3. The latter would be stuck with the prior family's water usage if it were on a one-year lag basis. I agreed that this could happen, but since we will, at a minimum get meter readings every April and October, we could make an adjustment in the following year (a credit), where we find this occurred.

3. Are we sure that loading a variable expense into a tax bill for deductibility is Legal?

I replied that the homeowners should check with their advisors themselves, reiterating, that I personally would not be deducting variable expenses, i.e. in this case the flat base rate of \$100. I told Tom we would make this clear in communication to homeowners when the water policies are sent out to each homeowner after the budget is approved.

Tom's email will be attached to the 7-13-17 minutes.

9. Adjourn the Public budget hearing.

The being no further public comment on the budget, Kurt closed the public hearing.

10. Motion to reopen the regular board meeting

Kurt made a motion to reopen the board meeting. Latham seconded. The motion carried 3-0.

11. Motion to adopt the advertised FY 2017-18 ISD Budget

The board discussed the budget, and the major revenue and expense categories, which were reflected in the advertisement. Carly will change her chart of accounts to account so that every home/lot owner will pay a \$300 readiness-to-serve fee and only homeowners will pay the \$100 flat base fee.t

Kurt made a motion to adopt the proposed budget. Jim seconded. The motion passed 3-0. The board members signed the budget and Carly will coordinate matters with the County.

11a. Amended Water Service Policies.

Jim read the changes to the draft policy, which emphasized the need for homeowners to seek their tax advisors, advise as to determining tax deductibility, as the ISD is making no representation whatsoever.

Jim made a motion to approve the amended and corrected water policies. Latham seconded. The motion passed 3-0.

12. Approve engineering firm for water infrastructure study.

Jim stated that we had 3 submissions, from Rendezvous Engineering, Nelson Engineering and Jorgensen Engineering. These were all sent to Clearwater Operations for their evaluation and recommendation. The cost estimates ranged from a high of \$39,000 to a low of \$18,000. Kurt and Latham said that with Bob Norton's long knowledge and being a stakeholder in Skyline, his involvement would have been invaluable, but given the considerable difference in cost estimates, and with the recommendation of Clearwater, the low bidder (Jorgensen) provides significant value to the District. Kurt stated that Warren's input should be included as line item expenses and should be included in the project. Kurt made a motion to accept Jorgensen's proposal and bid on the RFP, following Clearwater's similar recommendation. Latham seconded. The motion carried 3-0. Jim will communicate with Jorgensen and the other firms. Kurt and/or Latham will meet with Shawn O'Malley to discuss the contract.

13. Approve purchase of spare air compressor for upper pump house per Clearwater recommendation, not to exceed \$600.

Kurt made a motion to purchase a spare air compressor for the upper pump house not to exceed \$600. Latham seconded. The motion passed 3-0.

14. Communication to homeowners re eclipse

Jim will send the County's rules to Carly to be communicated to homeowners. Latham asked if we should advise the homeowners of the security at the front gate that will be provided by Bud Hill Security Services. A question arose by Bud Hill about the availability of a Port-a-Potty. Kurt and Latham will work on logistics with Bud Hill and communication to homeowners.

14a. Solicit views of west Skyline homeowners on extending gas lines beyond east Skyline.

Jim will contact Lower Valley to see what needs to be done.

15. Update on follow-up items for June board meeting

-Lower pump house easement survey- Kurt: will follow up on his return from vacation.

-Fleck meter-Kurt. Plumbers will be at the house on Monday, July 17 to assess the situation. The meter has been ordered. ~~ATM~~ Heating & Plumbing will be doing the work. *JH*

-Letter to Clearwater re curb-stop project- Jim: done

-T/C engineer for optimal placement of signs-Latham. He's waiting on a call from the Road Safety department. A placement of the various approved signs was discussed, as well as Geordie Gillett's concern on Killdeer. Latham talked about the best option for addressing speeding complaints are speed bumps. Chris mentioned that it might be useful to communicate to homeowners about speeding and if they have renters, it is incumbent on them to communicate the speed limit adherence within the District to their renters.

-ARC/Site Committee checklist on the website- the draft checklist was discussed. It was decided to upload the checklist to the website as a separate tab/link. -Latham

16. Motion to set the ISD director election date on 11/7/17 & post ad in the paper on July 19.

Given that Kurt's 4 year term is expiring, there is a need to begin the process for the next election as a newspaper ad and ballots to the homeowners need to be sent out, with the names of people wishing to be on the ballot. Kurt made a motion to set the election date to be 11/7/17 and post and ad in the paper on July 19th. Latham seconded. The motion carried 3-0. Carly said we also needed to send out a letter to homeowners seeking nominations by August 29th. Jim made a motion that Carly send a letter to homeowners seeking nominations by August 29th. Kurt seconded. The motion carried 3-0.

17. Other business

There was no other business.

The next regular ISD Board meeting will be held on Thursday, August 10th at 4:00pm at the offices of Berkshire Hathaway, at 138 N. Cache Street.

Kurt adjourned the board meeting at 6:00pm and opened the Site Committee meeting (see separate minutes)

Respectfully submitted:

Jim Lewis Treasurer/Secretary



Kurt Harland
Chairman



Latham Jenkins
Vice-Chairman