

**SKYLINE IMPROVEMENT AND SERVICE DISTRICT
MINUTES OF BOARD MEETING
June 11, 2020**

A public meeting of the Directors of the Skyline Improvement and Service District was held on June 11, 2020, via Zoom, due to the Town of Jackson, Teton County and State of Wyoming public health directives about public distancing.

Kurt Harland, Latham Jenkins and Jim Lewis constituting a quorum were present. Dave Adams, District bookkeeper was present.

Kurt, serving as Chairman, called the meeting to order at 4:05 pm.

1. Review and approve of Board minutes of May 21, 2020.

Action: Latham moved to approve the minutes as drafted. Jim seconded. There being no discussion or changes, the motion carried unanimously, 3-0.

2. Changes to agenda and adoption of agenda.

There were no changes to the agenda.

Action: Kurt made a motion to adopt the agenda as presented. Jim seconded. The motion passed, 3-0.

3. Public comment on items not appearing on agenda

There was no public comment.

4. Correspondence received by District office (Dave)

Dave said that the SLIB grant of approximately \$26,600 had been received and together with the insurance proceeds received the cost to the District for the pumphouse roof rebuild and bringing the building up to code was approximately \$48,000. The actual full cost was approximately \$85,000. The total actual amount received from the SLIB was only 3% less than the \$27,500 full grant.

5. Review 11 months May 30 YTD actuals vs. full year FY 2019-20 amended budget.

Jim said that the ISD is within budget. For the 11-month period the ISD collected 99.8% of income vs. budget. Total expenses are 59.3% of budget, after capitalizing certain expenses relating primarily to the pumphouse. Originally, we didn't know for certain what the repair would cost and we didn't know whether we'd receive a SLIB grant, so our actual expenses for this turned out to be 50% of budget given the grant and insurance we received.

Clerical contract services are higher than budget as this as this Dave's first full year with the District. Additionally, there was overlap with Carly in the beginning.

6. Review May 30, 2020 Treasury Report and approve payment of invoices.

As of May 30th month-end, total funds in all Districts financial accounts total \$413,622.52 up slightly from the previous month of \$411,009.34. The below list expenses were reviewed by the Board and read out at the meeting.

Clearwater Operations & Services	3,223.78
H.D. Fowler	2,100.00
Lower Valley Energy	215.72
Teton County Environmental Health	20.00
Teton Financial Consulting, Inc.	2,869.90
Trees Inc.	8,260.00
TOTAL	\$ 16,709.50

Action: Kurt made a motion to approve the expenses. Jim seconded the motion, which carried 3-0.

7. Review proposed FY 2020-21 Budget & indicate intention to approve the budget at the July 23 annual general meeting.

Jim said that since we've had another month of actual expenses, the proposed budget has changed somewhat from the preliminary proposed budget approved at the May meeting.

The changes are as follows:

Revenues

Road overhead assessment: a reduction of \$3,760

Water overhead assessment: an increase of \$4,540

Water maintenance assessment: increase of \$402

Water system user fees: increase of \$55

Total Revenue Road \$112,910 now vs. \$116,420 previously

Total Revenue Water \$74,782 now vs \$69,795 previously.

The principal reasons for the decrease in road income are the reduction in certain budgeted road related expenses, specifically 1) a reduction in the allocation of clerical contract services from 33% to 20%, 2) a reduction of \$1,000 in budgeted legal expenses, a slight increase in web administration and 4) a slight reduction in office supplies.

The principal reasons for the need to increase water revenues by \$4,987 from the prior preliminary budget is the increase in certain budgeted water related expenses, specifically, 1) an increase in the allocation of clerical contract services from 67% to 80%, 2) a \$2,000 increase in water

leak detection which was conducted in June and will be paid in July, 3) a slight increase in web administration and with partial offset by 4) a \$1,000 reduction in budgeted legal fees and 5) a slight reduction in office expenses.

Jim said that the amount reflected for budgeted net income for water is only \$1,200 and with water depreciation of \$10,402, we are not in any way meaningfully adding to water reserves. He said we should keep our fingers crossed we don't have more leaks and repairs than we've budgeted.

The impact of these FY 2020-2021 budget line item changes per home/lot owner from this FY 2019-20 approved budget is as follows with the amount in brackets reflecting a reduction in the assessment/charge:

	West	East
Road maintenance assessment	(\$40.18)	(\$25.50)
Road overlay assessment	no change	no change
Road chip seal assessment	no change	no change
Road overhead	<u>(\$81.94)</u>	<u>(\$81.94)</u>
Total road reduction	(\$122.12)	(107.44)
Water maintenance assessment	\$ 5.63	\$ 5.63
Water Overhead	<u>\$ 58.52</u>	<u>\$ 58.52</u>
Total water increases	\$ 64.15	\$64.15
Net savings per home/lot owner	(\$57.97)	\$(43.29)

The increase in the water usage rate from \$1.30/1000 gallons to \$1.40/1000 gallons remains the same as stated at the May board meeting

Kurt asked for public comment.

Warren Machol stated that he disagrees that the allocation of repairs and maintenance is included in the water usage rate. In his view, only the cost of utilities should be included, with the allocation of repairs and maintenance costs being charged to all home-owners pro rata since most of the repairs have to do with leaks in the old galvanized water lines that many homeowners still have.

Jim disagreed with this approach and presented numbers as to what the effective cost/1000 gallons would be if 1) only utilities of \$5,000 were included in the water usage rate, and 2) the balance of water revenues of approximately \$20,000 were allocated pro rata over the 85 homeowners.

Using the above example, the water usage rate would be \$0.25/1000, assuming total Skyline water production of 20 million gallons, and the allocated cost per homeowner would be \$235.29 (\$20,000 divided by 85).

Therefore, the effective cost/1000 gallons, combining 1 & 2 above, at various annual gallons of usage would be as follows:

40,000 gallons: \$6.13/1000 gallons
48,000 gallons: \$5.15/1000 gallons
400,000 gallons: \$0.84/1000 gallons

Graphically, if one put this on an X/Y graph, lower water users would be paying a disproportionately higher effective cost per 1000 gallons than homeowners who use greater volumes.

Mr. Machol disagreed with the District's approach. Kurt and Jim said that the methodology will be reviewed in the WWDC study.

Ann Dwan asked if we were taking monies from road revenues and placing these monies into water. Jim said that we are not. We are simply changing the allocation of certain expenses from road to water and adjusting the corresponding sources of revenue. Ann also asked when there are leaks in the galvanized line under the roads where they are the District's responsibility, are they replaced with galvanized. Kurt said that they are not replaced with galvanized.

Worth Johnson asked who owns the pipe from the curb-stop to the house. Kurt said that the District own's everything from the curb stop back to the wells, and the homeowner owns the line from the curb stop to the house, and they can use any material they chose. Kurt added that there has never been a case where the district has paid for a leak repair in a homeowner's line.

Action: Kurt made a motion to approve the proposed FY 2020-21 budget. Jim seconded. The motion passed 3-0.

8. Review proposed FY 2020-21 SSID Water Service Policies

Jim said this is the annual service policies that are sent to all homeowners and the charges and assessments which dovetails with the budget. There is an increase in the meter not read charge to \$40 per instance given the continuing difficulties in getting timely readings from a few homeowners. This will be emailed to all home and posted on the website after the July meeting.

9. Review and approve SSID General Guidelines Regarding Water FY 2020-21

Jim explained the purpose of the Guidelines which were first issued in FY 2019-20, and will be re-issued and updated each year. It is particularly useful to new homeowners in the District as it provides a listing of our general water guidelines. This, along with our annual water services will be posted to Skyline's website and emailed to all homeowner via list-serve.

Action: Kurt made a motion to approve the General Guidelines regarding Water for FY 2020-21. Jim seconded and the motion passed 3-0.

10. Review Board objectives FY 2020-21 and establish priorities

Jim summarized the status of all board objective. Most are completed or Will be completed in the next few summer months. The one item that needs to be completed is the easement issue to the lower pumphouse.

11. Status and next steps-gas line-Worthy Johnson

Worthy updated the board. Correspondence has gone to homeowners Along NWR from Teal and on Meadowlark. By June 30 a final tally will be made of all participations received from homeowners to determine if the contact amount has been collected and the District could then move forward and sign the contract with LVE on this Phase 1. Worthy has also contacted the homeowners on NWR from Meadowlark to Tanager, or beyond to the rest of upper NWR, to determine if sufficient interest exists.

Angela McGrath commented on what happens if she sends money into the account and the project doesn't happen, and secondly, LVE's easement is on the right side of NWR vs the left side. Kurt said the District has a

30ft right of way on either side of center line, and the district could grant LVE an easement within the District's easement. He said he'd check on this. Addressing the first question, Jim said that if the project did not happen, the monies would be returned to the participating homeowners.

Warren Machol said that LVE boring the line is an improvement from the Initial plan of trenching, but thought should be given to in the bond to any remediation needed in the event the boring does create some visual issues with the ground.

12. Other business

Seeking candidates for 1 open ISD Board position- November election

Next meeting- Thursday, July 23rd (**Subsequently changed to July 9th**)
Attendance via Remote Access - <https://us04web.zoom.us/join>, ID: 423 001 218
4pm-6pm.

13. Adjournment of Board meeting

Kurt made a motion to adjourn the meeting at 5:30pm. Jim seconded the motion which passed 3-0.

Approved

Kurt Harland
Chairman

Approved

Latham Jenkins
Vice-Chairman.