

**Public Bond Hearing, Budget Hearing, & Board Meeting**

**~\*~ NOTES ~\*~**

**Wednesday, March 9, 2022 at 6 p.m. MT**

Held Via Zoom

In attendance:

* Conducting: Craig Godwin (Board Chair)
* Moderating attendee involvement: Beca Mark (Board Member)
* Additional Board Members: Craig Godwin, Don Hunter, Beca Mark, Gene Nielsen, (Not attending: David Webber)
* Roy Fox, Water Superintendent
* Jeremy Fox, Certified water operator
* 25+ Community Members

**Public Bond Hearing “ONLY”**

Craig Godwin (Board Chair) kicked off the meeting by welcoming attendees, giving an overview of the pending bond refinance and well-upgrade project, and opening up for comments after addressing pre-submitted questions.

- Public Comments

**Pre-submitted Question**: Is this board meeting going to be for a member vote on the bond refinance or has this already been decided?

Process began back on April 6 when open for discussion in a public board meeting, again in June for discussion, continued to get more input from the Water Board, on December 9, was open for discussion in a public meeting and the board unanimously voted in favor of the board refinance.

**Pre-submitted Question**: Will this new loan bring water to those on Birch Creek?

Explained the history of Birch Creek, the significant expense to bring a line down to Birch Creek, but plan is to do this at some future point if approved by Customer.

**Roy**: However, will upgrade the lower fill stations, which will benefit Birch Creek

**Pre-submitted Comment**: In favor of bond refinance because it will prevent theft, help if needed for firefighting, reduce costs significantly.

Craig explained how our well would be able to fill “pumpkins” to fight fires on the resort and mountain. He then explained the savings to the resort.

**Ferris Taylor**: We are new to Skyline Mountain. This is the first meeting we have heard about. Can we be added to notices?

Ferris mentioned he hasn’t received any notices, Beca got his contact info for future use and provided info on how to subscribe to Utah’s Public Notice notifications.

**Gary Baldwin (M27-28)**: Asked if we would use a key card to access water. Referenced he pays a lot for water and he doesn’t even use one of his lots for water.

**Craig**: Explained yes and how cards would generally work.

**Roy**: Confirmed one of his lots is not improved and pays for an unimproved lot.

**G Searle**: Where can we see the plans and layout of the tank and well house?

**Craig**: The engineering company has initiated and has those plans and we will go out for bid soon. Also explained more about the well setup and referenced that water will be available 24/7. Tank/fill station will be placed/buried just to the south of where the well is to maximize gravity to the tank.

**Roy**: Plans are being updated and a copy will be in the SMR office. If the file is not too large, We will put it on the website. There will be a 20,000-gallon tank and in the future will be used as the booster tank to pump to a larger tank that will be located further up on Thad’s peak. Will be year-round when completed.

**Ferris**: Are you drilling a new well or just using an existing tank? Is there a difference between the two wells?

**Craig/Roy**: A new tank will be put underground. Craig confirmed it tasted like spring/mountain water. Jeremy tests water monthly to make sure it meets the same strict requirements as any water system in the state as required by the State.

**Gary B**.: Will they end up putting fire hydrants up the mountain?

**Craig**: Transitioning lines is a big cost, so the answer is not at this time. However, it’s all engineered to expand when we can.

**Ferris**: Where Elk Meadow splits from Birch Creek, something looks like a fire hydrant. What is that?

**Roy**: It’s a dry fire hydrant and for emergency purposes, the Fire department would have to pump/pull water out of the small tank located in the creek.

**801-687-6151**: Will this increase our monthly bill?

**Craig**: No, nothing changes for SMSSD customers. This refinance, with a lower percentage rate, the new bond provides additional funds by extending another 7 years at a lower interest rate. Will also provide us the opportunity to do a Water Master Plan and then we can charge impact fees to new buildings within SMSSD boundaries. Water rates were last changed in 2016, so we anticipate fees will go up as well in the future. We can’t say there won’t ever be a change in water rates—there will be a change in some future dates.

**Japheth** (Zions Bank): Confirmed this saves the resort $8K/year

**Logan Hunter**: Could you please reiterate the timing on completing this project?

**Craig**: Engineering is undergoing as we speak. We want to be ready to get bids in April. Begin construction May. Done before snow flies in October.

**Ferris**: Is the central Legacy Mountain portion a separate water system?

**Craig**: Explained history of owners differing on how much to spend on water. SMSSD was more conservative and where we sit now. Legacy went and borrowed money and put it into a water system. They operate their water system independent from SMSSD.

**Craig**: Asked for final questions and no one additional submitted any questions. References resolution provided, didn’t read full resolution. Asked for objections and community members were silent.

**Roy/Craig/Beca**: Called for a vote, confirming just from the Board.

- Adoption of Super parameters Resolution approving the publication of a “Notice of Bonds to be Issued” & designating officers

**Gene** motioned to accept resolution.

**Beca** seconded motion.

All board members in attendance voted in favor of resolution (David Webber absent). Craig rolled called board members and confirmed positive votes.

**Japheth** (Zions Bank) will let Brandon Johnson know that resolution was adopted and Brandon will reach out to have the resolution signed.

**Craig** thanked Japheth for his help in the process.

**Craig** requested motion to adjourn Public Bond Hearing

**Don** motioned to adjourn Public Bond Hearing

**Gene** seconded motion All in attendance voted in favor **Craig** adjourned Bond Hearing.

**Budget Hearing “ONLY”**

- Approve 2021 final budget

**Craig** requested motion to open Budget Hearing

**Beca** motioned to open Budget Hearing

**Gene** seconded motion

All Board Members in attendance voted in favor to open budget hearing

**Roy**: Clarified that the purpose of this hearing is to approve the 2021 final budget. Referenced budget number totals.

**Craig**: Brought to attention that we came in under budget. Asked about the 2022 budget, Roy stated it was voted on at the last public board meeting.

**Craig** requested motion to accept 2021 Budget

**Gene** motioned to accept 2021 Budget as completed

**Don** seconded motion

**All Board Members** in attendance voted in favor to accept 2021 Financials as completed

**Craig** requested motion to close Budget Hearing

**Don** motioned to close Budget Hearing

**Gene** seconded motion

All Board Members in attendance voted in favor to close Budget Hearing

**Board Meeting**

**Craig** requested motion to open Board Meeting

**Gene** motioned to open Board Meeting

**Don** seconded motion

All Board Members in attendance voted in favor to open Board Meetings

* Approval of previous meeting’s minutes

**Craig** called for questions on minutes taken for the previous Board Meeting on December 9, 2021, No questions or comments were made, then asked for a motion to accept Board Minutes.

**Gene** motioned to accept Board Meeting minutes

**Beca** seconded motion

All Board Members in attendance voted in favor to accept Board Meeting minutes **Gene** exited the meeting, He had prior comments to attend to.

* Approval of Financials

**Craig** asked Roy to review financials for the group.

**Roy** read out high level totals of the financials and confirmed financials up-to-date as of January 31, 2022.

**Craig** called for questions and upon no questions, then asked for a motion to approve January 31 presented financials.

**Gene** motioned to accept January 31 financials

**Beca** seconded motion

All Board Members in attendance voted in favor to accept January 31 financials as delivered by Roy

* Open time for customers questions

**Craig** explained one of the requirements of the state’s Water Board is to create a reserve account, $13K per year for the next 10 years, to protect us from a “rainy day.” Roy is placing this in the yearly review of the reserve account to be part of the questions of an annual audit.

Also required with this bond to create a capital utilities replacement account equal to 5% of annual budget. Will compile ~$19K per year, totaling ~$579K at end of loan. Will also now be part of annual audit review as well.

**Don** questioned whether it would be put away monthly or not.

**Roy** confirmed, yes, saved monthly.

**Craig** explained that we would be in default of our bond and 18% increase, if we don’t have these accounts in place.

**Ferris** raised his hand in the chat and questioned whether financials can support saving in these accounts.

**Craig** explained sources of revenue only coming from SMSSD customers for water usage. After the Master Plan, impact fees were applied for new customers. Transfer feeds also contribute to revenue. Then referenced that we only anticipate that water rates will go up, but we don’t have a plan based on inflation yet. We’re solvent today and we’re comfortable.

**Ferris** questioned what the impact/transfer would be.

**Roy** confirmed there is a $75 transfer fee right now and impact fees will be determined when the engineers have completed their study.

**Beca** asked when the last time there was a raise in prices, and what’s customary in the past for how often

**Craig** answered 2017 and no trend

**Roy** confirmed that we would need public hearing to raise rates and the process

**Ferris** referenced that if we come to the end of the year and we haven’t met it, then we make a lower payment to reserve and make it up the next year by increasing fees.

**Craig** thanked Ferris for his comments and participation in the meeting, but we will need to see what happens in the future.

**Don** said that new fill stations will provide us a new source of income. We have a lot of water coming out of fill stations that doesn’t go to our SMSSD. Some Legacy Mountain owners aren’t connected to their water system and use our fill stations. Now, they will pay by using SMSSD card. Right now, some pay through Roy, but not all. We’ll have total control over the water at the fill stations.

**Craig** referenced that we are happy to share because now we will be able to recover costs.

Minimal discussion about:

* Elk Meadow well, plans to put in a tank and also water line down to Birch Creek lots, but dependent on when we can afford to move forward.
* Tank sizes – 500-gal v. 5000 v 10,000; cost is $1.50 to &2.00 / per gallon to pour concrete for the cost of the tank

**Beca** motioned to adjourn board meeting and move to the executive portion of the meeting

**Don** seconded motion

All Board Members in attendance voted in favor to adjourn board meeting and move to the executive portion of the meeting