

Skyline Mountain Special Services District

2201 Skyline Mountain Resort

Fairview, UT 84629

Minutes of the Monthly Meeting of the Board of Trustees held at Skyline Mountain Resort Clubhouse August 15th, 2009 at 6:30 p.m.

Meeting called to order at 6:40 p.m. by chairman, Jay Hansen. Present were Ed Collins, Dawayne Coombs, Terry Behunin, Mont Pugmire of the Board and contract employee, Orson Stilson.

1. Minutes of July 18th, 2009 were presented for approval. Minutes were approved on a 5-0 vote.
2. Financial Report: Terry reported that we have collected so far this year a little over \$69,000 and have spent \$57,000 leaving a balance of \$12,000 with a check to deposit from the State of Utah for reimbursement of the chipper's repair in the amount of \$1189.00 and we have \$993 in bills to pay. With some carryover funds, there is just under \$20,000 in the checking. We have let contracts for approximately \$18,600 for upper mountain, Birch Creek area road projects and asphalt patching. We still have \$5,000 coming back from the State for fire mitigation spray chemical. We have yet to do any water billing so no revenue from that yet. We have \$46,000 in our savings for our water project and we have \$19,000 in certificate savings for main well pump future replacement. Financial report was approved 5-0 in favor.
3. SMR new board member appointments: Terry will remain as the dual board member. Craig Godwin is the new treasurer. Larsen is the new golf course board member. Tracy will remain as secretary and Everett Taylor will remain as president.
4. We have had a request for a joint meeting between both boards with their attorneys present. We have reminded the SMR Board as to when our meetings are and invited them to come any time for joint issue discussions. Terry stated that it is too costly to be paying two attorneys for things we should be able to discuss and resolve ourselves. Mont suggested that we not convene a joint meeting until our new board members are appointed by the Sanpete County Commission on Sept 15th, 2009
5. Additional road projects: Do we have additional funding to take on more? We have substantial amounts committed and need to wait until fall to see if we have sufficient funds to do more. The potential projects that are top priorities are 1. Lookout Drive gravel/road base added. 2. Davis Ridge at least the western ½ mile that is just rough and rocky.
6. Water billing: We now have had help from Joe Hanks as to which lots fall in to improved, partially improved and unimproved categories. Orson pointed out that the Seager lot is marked as a cabin but the lot is fully improved for a motor home or 5th wheel but no cabin. Mont will further review all lots to verify in which category they fall. Ed suggested that we stop waiting for the SMR Board to get us the data base we need for billing and simply proceed to send out bills. Every month we wait is \$7,000 per month in lost revenue. Mont suggested that the first bill be for Jan-July at the old rate (7/12ths) and for August at the new rate and categorization with no meter usage overage billed. Our data set up expert, Francoise is ready to do this. It won't be easy because we will get a lot of small checks but we can't wait for SMR's help any longer. We have requested multiple times from the SMR treasurer the data base so we can merge it for joint billing and still don't have the disks we can load and set up. Ed stated that we need to just go ahead. This may not be the best way long term to have two separate bills for the members but we just can't wait any longer. Terry suggested we need someone who will stay on top of this long term. Ed said that Francoise would do the first month set up and billing and Mont said he would take on the receiving of the funds and depositing. Orson will read the meters before he leaves on his trip so we can have accurate readings for a Sept billing. At the end of the discussion Mont moved that we hire Francoise to set up our data base and do the first months billing at a negotiated hourly rate. The billing to be for 7/12ths of the

page 2::::: rate charged under the old billing system and a flat rate for every lot at the new rates with no extra charge for overage use on the meters. Terry seconded. Motion carried 5-0. Ed will also send a letter in the billing that will offer people the opportunity to comment on their classification at a future board meeting. The classifications as previously defined will be included in the letter. We will audit the first several months to be sure we are being fair and equitable to all District members.

7. Water meters/water system: Mont met with Milt Walters of Mueller Fire control systems and has authorized him to meet with Richard Noble of Hansen, Allen and Luce and review our water plan with the idea of making suggesting potential savings or changes that could make the system more effective. The first suggestion was to make certain that all lines are loop connected. Mont has also made contact with Ferguson Waterworks to set up an account so we can purchase meters, yokes, back flow prevention etc and allow us to standardize our meter brand etc. Mont reminded the Board that we need to replace the defective meters etc by using Russ Strong Plumbing so we have a licensed contractor doing the work as our own rules require. Ed suggested that we compare costs of remote read type and regular read types. Jay suggested that we need to look at the future and we really should use remote read to simplify costs and time in reading. Mont agreed that when we have over 330 meters just in the lower area, it will be very advantageous.
8. Barnes culvert mitigation. The culvert exit needs to be diverted to make certain it goes down the borrow ditch and not on to the lots below. Jay suggested that it ought to be moved up the road further to capture and drain the water off behind the K lots. Mont reminded the Board that we have already installed a culvert at the bottom of Hidden Valley that will carry most of the previous drainage off to the west of the K lots. Mont will install diversion for now but Jay asked that we look at it at the end of the year to see if we have funds to do another or move that culvert. Ed moved that we take corrective action to divert the water from Barnes and others and if we have funds at year end, we move the culvert to a location 100 yards North West of where it was put in.
9. Road project report:
 - a. Hidden Valley is complete. We used one extra t/l of gravel at the intersection.
 - b. Overlook Drive is complete. Some time we will need a culvert at the bottom to carry water down the west side of Deer Valley but for now, it is much improved.
 - c. O section has been completed including the 10 extra loads of base needed to do it right. We do need a street sign for that road.
 - d. The contract for the asphalt patching has been let for \$2,100.
 - e. We are still holding the C-section culverts and the movement of the snow gates for Haynes if he comes forward with a quotation.
 - f. Our MgCl on Juniper and Birch Creek is not dust free but it is holding the roads together and those roads are smoother and better than they have been in many years. We just need to stay committed to do this each of the next three years to get a full application. We have not had to grade those roads even once since we prepped them for MgCl and we normally have had to grade every three weeks or so in summer.
 - g. Lookout Drive and Davis ridge will have to wait until we see if we have funds in the fall.
 - h. The rip-rap in Barnes is all done.
10. Jay suggested that from now on we post at a specific place in the clubhouse all projects and assign a project number with a bid date and a closing date and make these contractors responsible to be back to us with a quotation in an appropriate time window such as 2 weeks from posting. He said, "This business of having to chase these guys down and having to listen to their complaints if they miss a bid for whatever reason is hogwash". Mont agreed saying that "we should do that and then mail out US Mail postcards inviting a quote. Those who respond will get the work and those who drop the ball will not. Simple as that." Ed said, "That is just a lot more work for Mont who carries the bulk of the workload anyway."

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11. What is needed to get our water project application submitted? Mont showed the Board the stack of forms required for submission. Terry suggested we hire someone but Ed said, "If we hire someone, we will still need to take the time to provide the information". Terry said, "If we have a board member doing all that, shouldn't we pay for that extra level of work?"
12. Ed said, "On a finding that the secretary-clerk's duties are disproportionate with respect to the stipend that is paid to the other governing members of the Special Services District I'll make a motion that we increase the secretary's stipend from \$100 per month to up to \$400 per month and that we ask the secretary to keep track of his time and we will use a rate of \$15 per hour so that if you spend more than \$400 in time, that is the cap to be reviewed after 3 months and adjusted as necessary at that time. Terry seconded. Motion carried 4-0 with Mont voting abstain.
13. Other Board member items:
 - a. Mont: On Sept 15th there is a seminar put on by Rural Water concerning water rates, project funding, and critical ground water rules. Mont would attend that meeting. We should also invite Joe Hanks or Everett Taylor as systems operators. Board approved 5-0. Jay suggested Orson may want to attend to have two sets of ears.
 - b. Dawayne: We should be getting the \$5,000 reimbursement from the State during August or at the latest, by September.
14. Truck: The free truck has maybe serious problems with the transmission which won't engage. It is not the linkage. It is internal. Jay suggested that since we are nearly through spraying for the season that we wait until spring to have it checked out. Orson suggested that we need to do something with the 40 gallons of gas we just put in the tanks. Perhaps we can drain the gas to keep it from being stolen.
15. New road signs: Orson has installed new signs to replace the ones vandalized.
16. Jay mentioned that we need a culvert on Birch Creek where the Hot Well Road intersects. Mont mentioned that we have need of a culvert at the lower end of the Birch Creek road where it is low and the run off is eroding the south edge of the road away. We will see if we have enough cement pipe to do this so we would be paying for installation only.
17. Meeting adjourned at 8:45 p.m.

Respectfully submitted,
Mont Pugmire, sec-clerk