

Skyline Mountain Special Services District

2201 Skyline Mountain Resort

Fairview, UT 84629

Minutes of the Monthly Board of Trustees Meeting held at Skyline Mountain Resort Clubhouse April 19<sup>th</sup>, 2008

Meeting called to order by Chairman Frank Fraser 6:39 p.m. Present were Board members Frank Fraser, Jay Hansen, Terry Behunin and Mont Pugmire. Also attending was Richard Guevara, GC 25; Jesse and Bobbie Baker, GC 19; and Shella Behunin.

Richard Guevara: He contended that when he bought his home to be moved in on Lot GC 25 that he was told that there was water and power to his lot only to find out that the power had to be extended and he would have to put in the road and water at his own expense because the SSD had no budget to do so at that time. He also claimed to have been given a letter from SSD that said he would be reimbursed for the water and road "when the SSD had the money available". When asked who told him that there was water and power to the lot, he said Joe Hanks, SMR manager, told him. He threatened the SSD with legal action to assert his claim for reimbursement. Frank asked him for copies of any documentation of his claims but he refused to provide them at this time. Frank told him that, while we would be responsible for any commitments made by SSD, we could not act on hearsay conversations allegedly carried on with Joe Hanks. Jay Hansen interjected that he had been on the SSD Board since before 2005 and that there was no commitment ever made to 'pay Mr. Guevara back when we had money'. Mont reviewed the events and rough time line from 2005, saying that at that time, he was an SMR Board member. He stated that Richard had come to the SMR Board asking for approval to build his home on GC 25, at that time, an undeveloped area. He said his wife needed the better air quality and there was some urgency about getting moved to SMR. The Board agreed to get bids on having the electricity run to the lot and agreed to spend up to \$200 to have Shelley Excavation open the first part of a new access road since the original access off Spring Creek Drive was to be moved, which was done. This would connect to the roughed in roadways already in existence. He was told that all other improvements to the road would be at his expense since he was building in an area not planned for development for some time to come. Mont said that the original bid for the electrical was about \$6,900 but because of requirements by Mt. Pleasant Power, it escalated to about 3 times that amount. Nevertheless, SMR did proceed to have the power run. They were also told they would have to put in a water tank similar to those up on the mountain in the non-full time area. To all this they agreed and had their home delivered. As the weather warmed, a special consideration was given allowing Guevara to run a surface hose from the culinary water tap at the golf course to make it easier to fill his tank. In the spring of 2005, the SSD amended the previous moratorium on water connections to allow up to 5 connections that year. Guevara asked for and received one of those. One of the conditions of the 2005 Moratorium Amendment was that the requester had to be on the existing water lines. Guevara was not but, again, special consideration was given allowing his hook up if he would pay up front the cost of the new water line built to the specifications of the proposed new water system. He was told that he could be reimbursed from the 4 specific lots that were between him and the water main connection at the rate of 20% per lot as those people connected on. The cost of the new water line was calculated at \$5950.00.

Mont has asked Guevara numerous times for the letter from the SSD but was told that either it was packed in another box or could not be located at the time. Richard then vigorously stated that what Jay and Mont said

Page #2: was not true and he could prove it. Frank again asked him for any documentation backing up his claim, explaining that since Richard had threatened legal action, that all evidence would have to be documented. Frank explained that any alleged conversation with Joe Hanks or anyone else that was not documented would be considered hearsay in a court and not allowed into evidence. When pressed about the letter from SSD, he then said that he didn't get one because he was angry when he left the previous SSD meeting and waited for it to come in the mail. Frank again committed that if Richard produced the letter, we would do whatever the letter said. Richard then said that he didn't get a letter and asked that minutes be researched for the reimbursement commitment. Mont stated that we had reviewed minutes going back to 2006 and had found nothing. Richard again stated that what Jay and Mont were saying was false and he would call Frank and discuss it with him privately. Frank told him that he could bring copies of anything he had substantiating his claim but that he would not, under any circumstances, have a private conversation with him outside of a board setting especially since he has threatened legal action.

Jesse and Bobbie Baker: They came to discuss the letter received telling them they can no longer plow the Birch Creek Road beyond the snow gate. They said that, "we are allowed to live up there but the reality is that without access to be able to haul our water, it isn't really possible". They discussed the vigilance in helping people stuck, in preventing the fire spread from last June's fire in Birch Creek area. They have tried to be a very good neighbor. He stated that he should have done a better job of plowing to one side and allowing a wider snow path to be parallel. Jay said, when the snow melts down it can be a problem. Terry said, he could see what they were saying but if we allow them to plow, what is to stop a person way up higher on the mountain from wanting the same thing. He stated that many people love to snowmobile up to their cabins in the winter. If we allow you, then what prevents anyone from plowing clear to the top? Bakers stated that some people used to plow way beyond them but Jay reminded all that now that the snow gates are in place. Sadly there were a number of cabins ransacked during that time. Terry suggested that perhaps a snow cat could be used for access above the gate. Jesse asked, "Then how do you get the water from the fill station to your snow cat?" Terry said you would have to transfer it. Frank asked if they were still planning on building down in the lower area. They said the problems there are, even though they have paid for power, it is not run to them and then they would have to extend the water line if a water connection were granted. Frank stated the Board's appreciation for their dilemma but that we also have the problem of anyone else wanting a similar concession. In addition, if the SSD recognizes and allows them to live in a Sanpete County dictated part time area, we could be in trouble with the County Commission. Bobbie talked about the MgCl application being covered by the dirt from the drainage ditches making it very dangerous when wet now. Jay stated that we have to put in the ditches and we have to grade the road and that 'we have to put the dirt somewhere'. Budgets limit our ability to have a back hoe and truck to remove the ditch dirt. For the record, Mont stated, Sanpete County Commission required that SMR allocate its water to full time available lots at .45 acre feet and to the part time lots at .25 acre feet. That means they own enough water for around 650 -700 lots at "build out". The Commission actually was the agency that spelled out the # of full time and # of part time lots. Bobbie stated that hopefully by July this would be resolved if they could build their new home on the golf course. Mont stated that knowing Bobbie's health situation, he was very concerned and was the one negative vote when the proposal to write the cease plowing letter was approved by the Board but at the same time what is the liability of allowing full time in the part time area in case of fire or major medical emergency. Mont stated the easiest solution would be for both Board's to work together to allow them access to their Golf Course lot for building their year round residence.

Page meter and back flow valve are installed.

Grames yoke: R.J. Slater had a phone conversation with Grames telling them they would not have to install the yoke.

Liability Ins: Frank has attempted to contact the county auditor to see if we can coattail on the county's insurance. We also have our policy with Utah Governments Trust. The insurance audit was completed by Frank by phone.

Commission Meeting Discussion: to present our budget; how we are doing our road evaluation system; road projects; water project update and how well we are working with the SMR Board. We need to do this before July. Frank recommended that we try for June 3<sup>rd</sup>. Jay suggested everyone check calendars and verify June 3<sup>rd</sup> availability.

Road projects: We need to list all the projects we want to do this spring/early summer including start up of Thad's Well; raise the sensors on the main tank; have a Saturday work meeting perhaps prior to our May 17<sup>th</sup> meeting day. Terry stated that if we don't use some of our own reserves to do some of these projects, that the SMR Board will not be willing to co-sponsor any additional funds to assist us. Mont stated that we have substantial carry over funds that we had left over thanks to SMR's help. Frank said, "But we have to stay within the budget". Terry said, "No, we can amend the budget to use the surplus funds." Of course, we should all agree on even regular maintenance projects. Monte reminded the Board that we put \$5,000 in savings left over from the last fire grant. \$4,000 was for the C section escape road and \$1,000 for the other dry hydrant in the Birch Creek area. Mont reminded the Board that we need to put clear identifying signs directing fire and emergency fire crews as to their location.

Minutes to web site: Frank has some on now. Mont will send Jeff Mendenhall all those that are still in computer memory. Then we can start sending them via scanned document for those thereafter. Mont will start right away. Frank stated that he had all the minutes from 2005 back. Mont will do 2006 to the present.

Richard returned with an additional point. He said "Mont said that all these discussions took place before I moved in but I have proof now that I am right that it was not done until after I moved in." Frank said, "Then get it to us". Richard said, "I just wanted to verify that you said that this was done before I moved in and the point I wanted to make tonight, I couldn't make it because these two guys together agreed together that they talked to me before I moved in that house". Frank said, "Ok, but this is some of the stuff I am asking you. If you have got documentation that makes your point, please get that to me." Jay stated, "I didn't say anything about you moving your house or anything. All I said was that it wasn't agreed that we would reimburse you on a water line. That is cut and dried right there". Richard said, "But I was trying to say it was not told to me before I moved in but I was told tonight that it was and it was not." Frank said, "What is your proof, Richard, what is your proof? What have you got? Is it a document? Is it something you can scan? If so, you can scan it and send it to me." He said he would not do that. Frank said, "OK then make a copy and get it to me". He wanted to know if it would be considered at the next Board meeting. Mont said, "If you get the documents to us in time". Frank said, "We might be done with this if we can get it done in time." Richard said, "Well there are just a few things I want to talk to you about before then." Frank: "Well then you need to talk to the

Page 4 Board. I am not going to act alone.” Richard: “I know that. That is not what I want to talk with you about.” Frank: “Is it about what you were here tonight on?” Answer, “NO.” Frank: “What is it about? If it has anything to do with the SSD, we’re a Board, we act as a Board. You are welcome to call but understand if it is something to do with the Board...” Richard: “I remember all this stuff, I was having real problems in my household at the time that all this happened and I kept all my documents and I found them, I found all my documents but there was some stuff said tonight that is not the case. And I need copies of the minutes. Frank: “As you saw tonight, we approved the minutes of the March Meeting. We will not approve the minutes of this meeting until May 17<sup>th</sup>. After that they will be available. The minutes are not verbatim, they are summaries. Remember that these issues are 3-5 years old and everyone is coming at this from their own perceptions, be that as it may but what is going to tie this down is the documents. If you have got the documents, get them to us.” To this Richard agreed.

Posting of At Large Position to replace R.J. Slater: Frank has copies and these minutes include a copy of the posting. We may want to approach the commission with a statement that we do not endorse any candidate. Terry stated that the Commission was aware that there were issues before and would handle this well. Jay suggested that Frank send them a message suggesting that if they need any input from us, to please contact us. Otherwise we will simply trust their judgment.

Mont suggested that Frank, as Chairman, write a letter of commendation to R. J. Slater for his years of service. All agreed that Terry would write the letter.

Fire Committee Meeting report: There is a high likelihood that there will be another Fire Grant for \$125,000 and it will be done so that contracts will be awarded and invoiced directly to the State. We will not have to funnel the money through our account. This will keep our money a lot more free. Terry Heath stated that as long as the chipper was operated by a State employee or one of our certified operators, the State’s insurance covers us. We also need to find a way to get it titled to us so it just doesn’t go away and our \$40,000 investment with it. Dwayne will do the chipper maintenance preparation. Jay will coach him on the torque needed on the blades.

Elk Meadows well drilling: Dr. Parsons presented a plan to drill a well on or near their lots or the common area to provide water to his and Dr. College’s cabins and to enter in to an agreement to turn the well over to SSD for water for the Birch Creek section. Discussion surrounded the value of this since it is within a few hundred feet of our prime selected area for a well for our new water system. Jay said, “Even if Birch Creek didn’t go for the whole system, at least it would be available for a fill station and fire protection help.” Terry stated that even though they have agreed to fund the whole well project, if we wanted a larger well, we may have to co-pay with them for the difference needed to drill a larger well. This could mean an investment of \$50,000 plus or minus. The Board all agreed that this has real possibilities and is something we should probably look seriously at. The best part is that it removes much of the risk for us, noting that well drilling is always a risk. Dr. Parsons asked that we enter into a mutually beneficial agreement and withdraw our protest. As to storage, Jay stated that we wouldn’t have to run a large water line 4 miles from the main water system area. The advantage to us is tremendous. Jay suggested involving Hansen Allen and Luce. Mont stated that one of the challenging issues is the possible short time line before the State Engineer has the protest hearing. Craig Smith will contact Parsons and will draft a letter to Parsons letting them know we are willing to withdraw our protest with a satisfactory agreement. Mont will check with a well driller to determine the rough cost of

page 5 increasing the size from 6" to perhaps 8". Jay then stated that we would also have to determine the cost difference to increase the pump size.

Legacy Mountain Roads: They have approached us to care for their roads also but we have more work to do on this. Terry suggested it be tabled for a later date. Jay said, we shouldn't even consider it with out the water along. We need to be very careful about this and make certain they are up and running before we even think about working with them.

4/17 water rights meeting. Outstanding meeting. HB 51 was very good legislation for us. The joint meeting of the two Boards yielded a certainty that the water rights need to be owned by the SSD to protect them. They will be further protected by the deeding process coming to a fully recognized subdivision. Terry said that we need to make certain that the water rights can only be used in Skyline Mountain Resort. Mont stated that we need to have a provision deeding back to SMR the water rights should the SSD ever become inoperable. This done, it could protect those rights for 40 years.

Other Board items: We need to authorize Shelley Excavation to repair or replace the water meter near his lot and GC 25. This was approved 4-0.

Jay moved for adjournment. Vote in favor was 4-0. Meeting adjourned at 9:45 p.m.

Respectfully submitted,

Monte Pugmire, sec-clerk