

Skyline Mountain Special Services District

2201 Skyline Mountain Resort

Fairview, UT 84629

Minutes of the monthly Board of Trustees meeting held Saturday, 20 March 2010 at Skyline Mountain Resort Clubhouse at 6:30 p.m.

Meeting called to order at 6:30 p.m. by Chairman Ed Collins. Present were Ed Collins, Dawayne CToombs, Terry Behunin, Layne Lundstrom, Orson Stilson, Jesse Baker, Bobbye Baker, Earl Seeley, Joe Hanks and Burt Beddoes. Mont Pugmire was excused.

1. Minutes previously sent were presented for approval. Moved to approve by Dawayne and seconded by Terry. Minutes approved 4-0 in favor.
2. Member items: Jesse Baker stated that previously they lived in their cabin above the Birch Creek snow gate and due to recent financial reverses are now unable to build their home on their GC lot. They are seeking permission to plow beyond the Birch Creek snow gate up to their cabin for year round residency. They cited others living full time beyond snow gates such as David Hamlin on Juniper Drive. Ed explained that Hamlin does live in the full time designated area per Sanpete County Commission established boundaries between what they have called the full time and part time areas. He further stated that our Board probably does not have the authority to tell them whether or not they can live full time in a county designated part time area. Jesse cited previous board member, Jay Hansen telling them they cannot plow the road beyond the snow gate. They stated that they would be willing to pay the costs of moving the snow gate further east if necessary. Ed asked the Board if the present location of the snow gate is the right place? Terry brought out that many members like to snowmobile in to their cabins in winter which is why the snow gate was placed right near the snowmobile parking lot area. Terry suggested that this is probably a decision to be made more by the membership. Ed stated that regardless of what we or the membership might want, we are bound by the County's specifications as to where people can live full time or less than 180 days per year part time. Jesse said he contacted the County Attorney and was told that it isn't the county that decides that but the Skyline Board. Ed stated, for the record, that Mr. Blackham, County Attorney is one of the most difficult people in the County to deal with. We have a hard time getting questions answered. He is dismissive of our issues and won't even talk to most of us here and answer the simplest of questions but I promise you that the issue of full and part time residency is very much a Sanpete County issue regardless of what Mr. Blackham said. He told them that we would dig into it and get them some answers. Dawayne brought out the difficulty of moving the gate a distance away from the snow park, there will certainly be people who will try to drive up and will have no place to turn around. Bakers suggested that signage advising people to not drive vehicles could solve most of that. The Board advised them that we would like to find a way to help them and would tackle this issue and have information for them at the next meeting.
3. Ed proposed that we change the meeting time from 6:30 p.m. to 10:00 a.m. still on the third Saturday at least for now as a trial.
4. Rural Water Conference report by Orson Stilson: We went to a lot of classes and training, met with suppliers and funding agencies. Orson went to a class on water storage. Of all the methods available the consensus seems to be concrete. One other method used is to dump excess spring water down the well shaft and store it underground to be retrieved by pumping later. Orson went to the class on grants and grant writing. We also talked to Darrel LeMaster about spring development. Terry mentioned a concern by Everett Taylor that springs sometimes have extra testing requirements etc. Orson explained that when this was researched before, the solution seemed to be in having adequate

page 2: source protection. Ed agreed that it is a little different but not too much difficulty. Orson showed them a list of what we need to do to apply for grants. We have to follow the formats exactly or they just dismiss your application.

5. Financial Report: Terry did the financial report and left it at his home but that in our checking account as of today we have \$36,091.79. He will bring the report next meeting.

6. Standardization of equipment: Ed queried the Board and all members were in favor of deciding on brands and specs and making those the standard for us from now on. Mont has much information and he will present it at the next meeting.

7. Timely posting of minutes on the website. Terry is handling that through the website managers. Bert Beddoes mentioned that the last minutes posted are from Dec 19th, 2009

8. Do we need a meeting with the SMR Board to determine if they are still willing to designate a portion of each lot sale toward retirement of the water bond as they have stated repeatedly over the last 5 years? Terry indicated that they do not have that as an officially voted item.

9. Past due amounts:

a. SMR owes for last year's electricity at the pool. Terry stated that Everett Taylor wanted more explanation of how the amount was reached and was not opposed to paying this bill in the future. Ed stated that Everett Taylor needs to be specific as to what details he wants before we have Mont chasing details. He said, "I would like to know exactly what he wants to know." Ed asked again, "Do we know exactly what he wants to know?" Joe Hanks said that Everett was concerned that Mont did not have accurate data and was simply estimating. Terry explained that we used two days in June, all of July and August and a few days in Sept. The meter was read for a number of successive days and that kilowatt hour usage was what determined the amount billed. Then we further discounted even that amount in an effort toward fairness. Terry then said, "It was me who did the averaging using the data from electric meter readings. It was not Mont. I am the one who did the reduced average. I need to get with Everett and ask what they will pay and get this resolved." Ed stated that the amount was a carefully reviewed figure with facts and data as its basis Ed said, "I ask again, do we know exactly what it is that Everett wants. There is nothing I like better than someone who says they want things to be exactly fair. We can deal with that."

b. Water billing: We will be billing the first quarter including all past due amounts with service charges as agreed by the Board in a previous meeting within the next 5 days. Terry has talked with SMR and SSD's attorney's and both agree there is no 'arms length' problem with the SSD paying the SMR office to do the billing for the water so we can fill the member's requests for simplicity. Terry wondered if the SMR computers were adequate for such a task. Joe Hanks stated that the SMR billing system automatically adds \$1 in late fees for any late invoices. Ed said that we would be happy to change our previous resolution to reflect the same late fee structure as the SMR system now imposes. All we need is the legal documents establishing the contractual agreement. It is also perfectly acceptable for both Boards to use even the same accountant. Ed established that both are using Quickbooks 2010 version. The data base set up for water billing could be merged. We simply have to figure out the costs that will be billed to SSD for use of the staff. Joe stated that the SMR staff doesn't want to be involved in fielding complaints. Ed stated that there have been some people who have not paid yet but the actual number of complaints are less than 10% of the initial billing.

10. Bid requests for plumbers to install the missing or broken meters. Mont will have that at the next meeting.

11. Letter from Schmid about the possibility of having a two tiered rate for metered users who use fractional amounts of water to perhaps have a lesser flat rate with no gallons included and a charge for every gallon used. If we are going to

page 3: discuss this, we need to establish a time to have full discussion on this. Terry stated he is not in favor of making any changes at this time but is not unwilling to discuss it as we progress further and have more facts and data. Ed stated that there are 6 payments that have been made that we could not match up to the right lot owners. Joe Hanks said that there have been instances where people have paid dues and it got deposited to water. Ed clarified that there has only been one of those cases and they, in fact, made their check out to SSD and that we have or are in the process of refunding back those amounts.

12. Legacy protest update: They applied for their well permit and their temporary was extended the same day it was filed. We don't think they yet have an approved system. We will need to keep better track of the Chicken Springs flow to protect us if they start pumping and we find an adverse effect on spring flow.

13. Meeting with HAL Engineer, Richard Noble to bring our application and engineering requests to a head and decide what focus we want them to place on which parts. This will be this coming Wed at noon in Lehi and will be a work meeting.

14. Discussion of poor billing practices by Shelley Excavation waiting for 4-6 months to bill. We need to do a better job of keeping track of what we have outstanding but if they are willing to wait for that long for their money, we should let them.

15. Ed stated that in their business they have seen a downward pressure on engineering services for non transportation projects. Prices have become much more competitive. We may need to ask for another quote on an hourly rate in the present market. Ed is preparing a request for quote to see if we can improve our hourly cost on engineering. To avoid a potential conflict of interest, none will be returned to Ed's business or personal address.

16. We need a competent financial advisor to help us with capital facilities planning and in seeking funding. Ed will prepare a request for services from several that provide those types of services. This would include the impact fee study.

17. Layne will send us the updated priority list and we will post it as an attachment to the minutes.

18. Meeting was adjourned

Respectfully submitted,

Mont Pugmire, sec-clerk