Skyline Mountain Special Services District

Minutes of the monthly meeting of the Board of Trustees held at Skyline Mountain Resort Clubhouse July 19, 2008 at 6:30 p.m.

Meeting called to order at 6:35 p.m. by Frank Fraser. Present were all Board members plus Orson Stilson.

Minutes of June 2008 were reviewed and passed as corrected. Motion 5-0 in favor.

The Board voted 5-0 to transfer the $5,000 from our bank to SMR. This amount is the balance from our previous fire prevention grant that was devoted to the C-section fire escape route and for the installation of the remaining dry fire hydrant in Birch Creek. Since SMR is in final negotiation with property owners for egress easements, it would be better for them to hold these funds. Jay has issued the go ahead to Haynes Excavating to install the dry hydrant and it can invoice SMR for that installation. Motion to transfer passed 5-0.

Concerning the letter to the members asking them to approve transfer of the municipal water shares to SSD to protect them as provided in Utah House Bill 51 passed in the 2008 legislative session. One minor word change has been made. We now need to sign the letter, present it to SMR Board for signature and mailing to members.

We have been made aware of a member illegally attempting to develop a spring in the Spring Canyon drainage at the end of Mountain Springs Drive. This person has been notified that they cannot do this but seem to be continuing the development. The Board will have our attorney write a letter to said person ordering them to cease and will provide a copy of this to the Spring Creek Irrigation Company. Mont will verbally notify Spring Creek and let them know of our actions and to expect the letter.

Well drilling in Elk Meadow. Jay and Frank have negotiated an agreement with Parsons/ College concerning our joint ability to develop water together. This having been done, we agreed to withdraw our protest against them. Parsons now has received the permit to drill the well. We need to improve the agreement to protect them and SSD so this project can go forward. Basically they will drill the test well and pay for the costs, if water is obtained, of drilling the 6" well. We would then agree at a specific time to pay the additional costs of drilling an 8" well consistent with our own master plan to have a well drilled in that area. Even if our Birch Creek (area 3) members did not vote in favor of having the new water system, there is still great value to us to provide storage and even a pipeline to a new water fill station for Birch Creek and upper mountain residents. This would take considerable pressure off Thad's Peak and the Main Well. The two main concerns of Parsons/College are that if they make the investment and then area 3 members elect to be a part of the new water system, they could end up paying "double jeopardy". Mont suggested that this concern is relatively easy to resolve. Their other concern is to make sure the correct reimbursement is worked out. Frank suggested there is lots of room for this negotiation. Terry expressed concern that we may not have sufficient budget to reimburse right away. He also expressed concern that we may investing only to Parsons/College benefit. Frank suggested that it really would benefit us right away. Discussion followed looking at different possible scenarios as to when the well would be drilled; where we would get our share of the funds; what the time frame might be to get the funds; whether Parsons/College would be willing to accept stepped payments in some form or another. Frank said that all of the above would be a part of any negotiations to an agreement. Mont asked if we would have any problem getting an amendment to their permit to drill a larger well. Jay reminded us of the fact that the site in discussion is the #3 probability site for new well drilling and could even be a great benefit to the entire system if a good source of water came out of the drilling. We will form a committee to work with SMR, Parsons/College on this agreement. The committee from us will be Jay Hansen, Will Sommerfeldt, and Terry Behunin.

Mont suggested that we ask our attorney to investigate Legacy's drilling permit and what culinary water right they are planning on putting into their new well which has been drilled in our Archie's Hollow drainage.

1-ton truck update: Jay said it should be ready by the next week.

Gate on Elk Meadows: According to Joe Hanks, the gate has been moved on to College's property. This may still eventually be a problem to the creation of a proper cul-de-sac large enough to meet emergency vehicle turn around requirements.

Grading of Hot Well Road: SMR asked that we have the road graded out by whichever contractor we select to do our Elderberry project and have the contractor bill them separately for this part of his work. It was decided to use Haynes Excavating for this and to authorize up to $6,000 plus the cost of two 5 x 15 or 20' rip-rap areas at the bottom of our two 24" culverts running into the Barnes property. This comes as a request letter from Barnes. The $6,000 could come from the money left from the Deer Valley Drive project. Motion was made to authorize this work for Haynes. Motion carried 5-0.

Deer Valley Drive/Deer Springs Circle report: We need an additional approximately $2,500 in gravel and grading to finish this off. We have already expended about $9,000 of the $17,000 we allocated for this. Board approved this additional funding 5-0. We need to put some reflectors at the two culvert areas on the bottom of Deer Valley Drive. Mont will have Orson put some small reflectors in to mark those areas.

Rocks near the upper snow gate were NOT placed by Legacy but were placed at the instruction of the SMR Board for reasons know to them.

Road projects:

Asphalt patching is estimated by Shelley to be approximately $2,100. This was approved to a maximum of that amount.

Road grass cutting was accomplished by SMR equipment on lower section and will be billed at $30 per hour up to $100. There was concern over using SMR employees to do work expressed by Frank. Mont asked what difference it makes compared to any other entity we might hire to do work. Frank worried about an obscuration of the line between SMR and SSD. Mont said that we have been doing this for years with snow plowing etc. and that if Frank and Everett now see a need for some type of additional clarification or definition, they need to get together and let Mont, as the SMR grounds/golf course supervisor, know how or if they want this type of work in the future. Mont said that, pending further instruction, no other crossover work will be done, including road edge gravel protection and snowplowing. Our Board recently approved buying a load of road base and having SMR employees put it on road sides to protect the asphalt. Mont repeated again, that Frank and Everett Taylor need to work out what or how (if anything) is to be done in the future and advise him of whatever policy they agree to.

SMR Report: Terry said the SMR Board is trying to get better control over the illegal use of the dumpster by moving the security camera closer, installing a bigger motion sensor controlled light there and putting up a specific sign indicating no furniture, construction waste etc. with fines applied. Also they are offering a $50 reward to any employee who observes such dumping. They are also working through the fire committee to get an access key to the gate control box for emergency personnel.

Specs on water development: We need, again, to have the SMR Board to review the construction specs which we prepared for building of roads, water and electrical. Terry will bring it up again to SMR Board.

Insurance policy: The new policy came and was only $2,000,000 liability and we have asked them to change the liability limits to $5,000,000.

Baker water hook up request: Frank stated that we need to give Baker an answer one way or the other. Orson mentioned that Baker has indicated he may not be proceeding this year. Discussion followed concerning whether we should grant this one last exception due to where the lot is … namely its close proximity to the water main; the fact that it is on an existing road; and saying in the wording of the approval that there will be absolutely no more requests for exception in the future. Mont said he wanted it stated for the record that he was in favor of granting this because of our tenuous legal position having previously granted the Page and Guevara applications with nearly identical circumstances. Terry said, "Where does it stop?" Frank stated that we can clearly defend the legal position of not allowing any additional exceptions going forward by the way we work our response to Baker. He stated that since we have the request before we locked our ruling down we need to act on it. Jay stated that one of the places these exceptions need to end is also with the SMR Board since they are also involved both in lot sales and in road building and electrical. Frank stated that in reality the importance of this really is to be determined by whether Baker wants to pursue his building permit at this time or is waiting until next year.

Items from Orson Stilson: He reported that he was out cutting down thistles; sprayed Birch Creek and the Chicken Springs path; he also found the C-section stop sign and re-installed it. He will go around and make a list of the needed signs. He stated that he is really waiting for the "new" truck. Jay asked if Orson thought we should purchase a 25 gallon portable tank to be mounted on a 4-wheeler. This was approved by the Board 5-0 in favor. Jay suggested that we put Orson on the Horseshoe Mountain Hardware account. Jay asked Orson to modify the water test tap at Thad's Peak to be a smooth tap so that our water tests can be more accurate and easier to do.

Frank stated an idea for consideration that at some point two things need to happen: 1. the money we now get for road maintenance from the dues is the same as it was nearly 9 years ago and costs have nearly doubled in that time reducing what we can do for our members on roads etc. Phase 1 would be to raise the dues by at least $3 per month to go to the road maintenance costs. Phase II would be a differentiation of the full time and part time lots as to road maintenance costs and implement a two tier approach to dues for the SSD portion by adding an additional amount to those lots in the full time area to pay for what Frank sees as a higher drain on our budget for the full time area.

Jay mentioned that he had heard that the Legacy development Company is about sold out and ready to leave their project. We need to get on with working something out with them on joining our SSD for Road maintenance.

Meeting was adjourned at 9:30 p.m.