

SPRING CREEK IMPROVEMENT AND SERVICE DISTRICT

Special Meeting Minutes

May 5, 2011

Attendees:

Directors Present: Derek Goodson and Ron Harris
Other Officers: Sharon Kuehn, Secretary
Advisors: Bob Norton, Nelson Engineering
Frank Hess, Attorney for the SCISD
SCHOA President: David Conine

I. Opening

A. Call to Order – Meeting called to order at 9:45 AM

B. Determination of Quorum – Quorum established

II. Review and Approval of Minutes – There was agreement to defer approval of the minutes of the last two meetings to the next meeting.

III. Old and New Business

A. Vote on Authority to Incur Indebtedness

1. Outcome of vote

Ballots were recorded and counted by the appointed Election Judges (Frank Hess, Sharon Kuehn, and Kathi Davis). The results of the voting were as follows:

Forty-seven (47) ballots were cast in favor of the proposition

Zero (0) ballots were cast against the proposition

Frank Hess, as the Election Official, provided an Affidavit attesting to the election results.

2. Notification of State

The draft Certification of Mail Ballot Election Results regarding Incurring of Indebtedness, prepared by Frank Hess, was reviewed. This Certification will be sent to the State, in connection with the District's loan application, and to the Clerk of Teton County. An additional Certification will be signed by all three Election Judges and forwarded to the County Clerk.

Motion to adopt the Certification of Mail Ballot Election Results of the SCISD regarding Incurring of Indebtedness.

Motion: Derek Goodson

Second: Ron Harris

Unanimous

B. Water System Projects – Spring 2011 work

Bob Norton reported on the status of the work to be undertaken this spring on the water system. His recommendation is that the telemetry and the control system work be combined into a single contract, with some of the work done this spring and the balance in the fall. The purpose of combining them is to integrate the work more effectively and to achieve certain economies in effort and cost. Originally, the plan had been to consider them as separate project components where (1) the cost of the telemetry system would be paid by the Spring Creek Homeowners Association (SCHOA) out of its reserve funds and (2) the cost of the control system would be paid with SCISD loan proceeds.

Bob also reported that the State reads the District's loan application to say that the SCISD intends to replace the telemetry system this spring, but it does not understand how the SCISD is going to pay for any near term work since the District doesn't have sufficient funds on hand at this time. It is believed to be important to the loan approval process to demonstrate that some of the water system improvements are being financed with funds other than State loan proceeds. The nature of the relationship between the SCHOA and the SCISD is confusing to the State and is perhaps unique.

Motion to proceed with the telemetry and control system work on the Spring Creek Ranch water system as follows:

- i. Incorporate both the telemetry system and the control system work into a single "SCADA System" contract;
- ii. Negotiate contract terms for such work through the SCISD, based on bids received for this combined scope of work, with execution of any

such contract contingent on SCHOA approval of the commitment described below;

- iii. Request from the SCHOA a commitment to transfer funds to the SCISD to pay for such work, as the funds are needed (understanding that the SCHOA may reserve the right to request that the SCISD repay some or all of this at some time in the future when the SCISD has accumulated sufficient funds, as provided in the Operating Agreement between the two entities); and
- iv. Request permission from the SCHOA to provide SCHOA financial statements to the State in connection with the District's loan application, in order to demonstrate that sufficient funds are available in the SCHOA reserves to fulfill such a commitment.

Motion: Derek Goodson

Second: Ron Harris

Unanimous

Further discussion ensued regarding the bid process followed and the actual bids received for the SCADA System work. Bob Norton reported that he had solicited bids from three qualified vendors, and has received proposals from two of them. They both appear responsive, with the low bid submitted by WETCO, Inc. In pursuing a contract for this work, the Directors agree unanimously to waive certain provisions in the District's Rules and Regulations (including concurrence regarding the waiver from Stephen Price, who is not present at this meeting).

Frank Hess drafted a resolution for the District to Contract with WETCO, Inc for Spring Creek Ranch Water System Telemetry and Control Upgrade. There was discussion about the provisions to be included. Derek Goodson agreed to be the officer authorized to negotiate the terms and conditions of the contract, with assistance from Bob Norton, and to execute any required notices or other documents.

Motion to adopt the resolution to Contract with WETCO, Inc for Spring Creek Ranch Water System Telemetry and Control Upgrade.

Motion: Derek Goodson

Second: Ron Harris

Unanimous

C. All Other Business – Deferred to the next meeting.

IV. Conclusion

- A. Next Meeting** – A Special Meeting will be held on June 9, 2011 at 9:00 AM.
- B. Adjournment** – Upon completion of the business at hand, the meeting was adjourned.