

SPRING CREEK IMPROVEMENT AND SERVICE DISTRICT

Special Meeting Minutes

June 22, 2011

Attendees:

Directors Present:	Derek Goodson, Stephen Price, & Ron Harris
Other Officers:	Sharon Kuehn, Secretary
Advisors:	Bob Norton, Nelson Engineering
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 – 6.09.11 Special Meeting

Motion to approve the minutes, as corrected.

Motion: Stephen Price
Second: Derek Goodson
Unanimous

III. Old and New Business

A. State Loan Applications

- 1. Outcome and conditions of State loan application (core portion)

Bob Norton reported that the District received loan approval for the core portion from the State on June 16th, 2011. Derek Goodson and Bob Norton had attended the meeting in Cheyenne, and Derek Goodson gave a brief presentation of the work summary to the State Board.

The one condition placed by the State on the approval is the requirement that the District provide a letter of proof from the Teton County Assessor's office confirming that owner tax assessments will be made.

2. “Green” project new State regulations and funding status

Bob Norton reported that he has received a draft of the revised new rules & regulations for loans under this State program; the draft is in a public comment period. He has been told that the State anticipates adopting the new rules & regulations at its meeting in August. Districts can make application thereafter, possibly for the State’s September meeting but more likely for the October meeting due to submission deadlines and review time required by the State. He also indicated that funds were available for 0% interest rate loans, and that based on some informal comments made he had reason to believe that our project would be viewed favorably. He also confirmed that we almost certainly would not qualify for grant or principal forgiveness funding due to County average income levels.

The Board discussed how to proceed with the District’s loan application in connection with our planned water meter system improvements. Bob Norton will lead this in the same manner that he led the loan application for the core portion (telemetry and water pumps), with assistance from Derek Goodson. It was agreed that we will need to move swiftly to present our loan package for approval at the September or October State Board meeting. The intent is to have the loan application package drafted and ready for submission on or before August 1, 2011.

Obtaining approval at either the September or October meeting of the State is important, so that work can proceed on a timely basis. Bob Norton noted that meters and parts could take up to eight weeks for delivery. This means that installation could not begin until winter, although certain advance preparation work, including necessary excavation, might be undertaken in the fall. Installation of meters inside structures could be done over the course of the winter, but any significant outdoor work not done in advance would likely have to be delayed until next spring.

Before the loan application finalized or the bid specifications can be released, it will be necessary to inspect each building (townhome, single family home, etc.) to determine where the appropriate meter can be installed. In particular, it is important to know whether the meter can be installed in a crawl space or similar location versus having to be installed outside with an underground tap to the water line. Bob Norton and Steve Price agreed to undertake and complete this inspection process by the end of July.

The bid content and advertising process requirements were discussed. It was agreed that we want to have a system that allows “drive by” electronic reading of meters; and we want to have a high quality, reliable system for which parts and replacements are readily available. Ideally, it was agreed, we would install meters compatible with those in other major locations in the valley

(e.g., the Town of Jackson or Teton Village). Bob Norton agreed to research different product options and report back to the Board. He also was charged with making sure that the bid specifications are consistent with these needs.

It was agreed that a contact person for each new construction project currently underway at Spring Creek Ranch should be notified of the District's plans for meter installation, and the respective contractors involved will be requested to install an appropriate meter yoke for the new meters during the course of construction. The Spring Creek Architectural Committee will be requested to forward this information and request to the appropriate contact person(s) for each new home under construction. Language then needs to be added to the Spring Creek Architectural Guidelines regarding the installation and payment requirements in the future, with regard to water metering. Ron Harris agreed to contact the SCAC in connection with this.

There was discussion about the frequency of meter reading – monthly, quarterly, semi-annually, or annually. The advantage of monthly readings is that it would allow monitoring for any leaks in the system and for excessive use of water for irrigating or other purposes, prior to the passage of long periods of time. There was agreement that the question of restructuring assessments to homeowners based on actual water usage, by either the SCHOA or the SCISD, should be addressed once meters are in place, but that it would be best to have a history of actual measurements of usage for some reasonable period prior to making any significant changes in the assessment structure.

B. Water System projects

1. Spring 2011 water system work status

Bob Norton reported that the poles for the telemetry antennas have been installed. There was discussion regarding view corridors and how the new poles may affect owners and guests. Steve Price agreed to have certain visual screening with plant material installed immediately; if any more extensive screening is warranted, that decision will be made at a later date.

It was reported that the new radio system has been received, but incorrect components were sent. The vendor is to resend appropriate components. Installation has been re-scheduled to now take place on July 6th through July 8th. The new implementation plan is for the system to be operated manually with the new electronics in place for approximately one week following installation, for monitoring and training on the operations of the system. The target date to tie the pumps into the automated system is July 18th.

In connection with the water emergency contingency plan, Stephen Price agreed to contact Stuart Campbell to discuss and draft policies and procedures for each of the two resorts directed at monitoring and managing the water system in the event of a water shortage or system failure. It is important that this be completed before the installation of the telemetry system.

Bob Norton will review and finalize the provisions contained in the water emergency contingency plan, including the procedures for each of the resorts. This plan then needs to be clearly communicated to all staff at both resorts.

2. Access road construction status

A two-track access road is necessary for access to the water tank as part of the Spring Creek Ranch water emergency contingency plan. Stephen Price and Bob Norton agreed to walk the site in order to determine the exact location of the road, then to finalize and contract for the necessary work. Stephen Price agreed to meet with Peter Warshaw, whose home is adjacent to the likely location of the access road, to review our plans with him. This work needs to be completed as soon as possible.

3. Bid process status for Fall 2011 work

It is planned that the bid specifications and bid process will be advertised in the local newspaper, as required; Bob Norton agreed to undertake this. Bids would then be opened in early August and a contract awarded as soon thereafter as possible. It is anticipated that equipment could then be ordered and that installation work would begin in early October.

4. DEQ Application for permit

Bob Norton reported that within the next few days he would be sending the District's application for a permit to construct the new water system to the Department of Environmental Quality.

5. FCC registration of communication frequency

Bob Norton reported that the registration has been signed and will be submitted during the next few days.

6. Communications about project work, conservation, and contingency plan

There was general discussion about the need for communication with guests and homeowners at Spring Creek Ranch and Amangani, but no special notification is to be undertaken at this time.

7. Water testing: status of reporting to Homeowners

Bob Norton agreed to work with Sharon Kuehn on the drafting of a consumer report. The report is intended to be available to the public on June 24, 2011.

C. Budget for FY 2012 and Projection for Subsequent Fiscal Years

1. Review of draft FY 2012 budget and three year projection

The Directors discussed key assumptions and the resulting assessments and projected surplus accumulations. Ron Harris and Derek Goodson had previously met to go over these, and certain refinements coming out of those discussions were reflected in the latest version of the budget model. There was also general discussion of the impact of the SCISD assessments and reserve accumulation anticipated for the SCISD on the reserve contributions and accumulations that might be needed by the SCHOA.

2. Approval of proposed budget for 2012

The directors then focused specifically on the budget and assessment schedule for FY 2012 (12-month period ending June 2012). It was noted that the Budget Hearing is scheduled for July 19, 2011, consistent with statutory requirements. It was agreed that the District should publish its proposed FY 2012 budget in the local weekly paper on Wednesday, June 29, 2011.

Motion to approve the proposed budget for FY 2012 for the purpose of publishing notice of the upcoming Budget Hearing in the local paper and for presentation at the Budget Hearing on July 19, 2011.

Motion: Derek Goodson

Second: Stephen Price

Unanimous

3. Notice of Annual Meeting and Budget Hearing

Motion to submit a notice of the Annual Meeting on July 19, 2011 at 9:00 AM MDT and of the Budget Hearing on July 19, 2011 at 9:30 AM MDT to the Jackson Hole News & Guide, for publication on June 29, 2011, with wording to be finalized between Derek Goodson and Ron Harris and reviewed by Frank Hess.

Motion: Derek Goodson
Second: Stephen Price
Unanimous

D. Upcoming Annual Meeting and Budget Hearing

1. Agenda items

The Directors reviewed agenda items, procedures to be followed, and possible handout materials for the two meetings. Ron Harris agreed to draft an agenda for each of the two sessions.

It was confirmed that the Annual Meeting would begin at 9:00 AM MST on July 19, 2011 in the Sage Boardroom in the Ranch House at Spring Creek Ranch. The meeting will adjourn at or shortly prior to 9:30 AM MST. The Budget Hearing is to begin at 9:30 AM MST on that same date. The Annual Meeting will reconvene immediately following the Budget Hearing.

2. Minutes and recording

It was agreed that the Budget Hearing will be recorded, using the conference call recording feature. Sharon Kuehn agreed to arrange for the recording of the session to be placed on a CD.

3. Advance communications to Homeowners

Stephen Price will make note of the meetings to the homeowners in his monthly newsletter, and notice will be posted on the SCR HOA website. In addition, homeowners that are in residence on July 19th will receive a hard copy of the notice for the Annual Meeting and Budget Hearing.

E. Investments and Finance/Audit – Discussion deferred to a future Special Meeting.

- F. Other Business** – Ron Harris agreed to extend and update the working timeline from this past spring, so that it could be used in connection with the District’s activities during the remainder of the year.

III. Conclusion

- A. Next Meeting**

As previously indicated, the Annual Meeting will be held on July 19, 2011 starting at 9:00 AM; and the Budget Hearing will be held on the same date, beginning at 9:30 AM. A Special Meeting will be held on August 11, 2011 at 10:30 AM.

- B. Adjournment** – Upon completion of the business at hand, the meeting was adjourned.