

Minutes of Public Hearing and Homeowner Session
Spring Creek Ranch Improvement & Service District
Spring Creek Homeowner Association

March 30, 2011
9:00 AM MST
Spring Creek Ranch ~ Ranch House Boardroom

Attendees:

SCISD Directors and Officers Present: Ron Harris (President)
Derek Goodson (Treasurer)
Sharon Kuehn (Secretary)

SCISD Directors Absent: Stephen Price (Vice President)

SCHOA Board Member via telephone: Dave Conine (President)

Legal Counsel: Frank Hess, Esq.

Consultant: Bob Norton, Nelson Engineering

Homeowners present: Rich Mickle, Joan Harris, Michael Lehman, Helen Lehman, Duncan Goldie-Morrison, and Pam Goldie-Morrison.

Homeowners via telephone: Abe Suydam, Phil Deemer, Tim Motzer, Jennifer Borg, Donna Falk, Florence Lemle, Clay Cook, Kent Van Riper, and Jim Byrne.

I. Opening

A. Call to Order – 9:00 AM by Dave Conine and Ron Harris.

B. Introductions and Purpose of the Hearing/Session

Welcome and description of the general purpose of the session by Dave Conine, including plans to seek a loan from the State of Wyoming. Introductions of the Improvement and Service District Board, the Spring Creek Homeowners Association Board, and consultants to the District were made by Dave Conine and Ron

Harris. Further description and procedures for the hearing were offered by Ron Harris. The primary purpose of this Public Hearing is to share information on the Spring Ranch Improvement District and to solicit questions, input, and comments from members of the District regarding the water system improvements that are planned. Conduct of the hearing was turned over to Ron Harris.

The facts that the session is to serve as a public hearing on the matter, that minutes will be taken, and that the session is being recorded were disclosed by Ron Harris. All attendees in the room and participating by phone were asked to identify themselves, so that their participation could be recorded.

The agenda was reviewed briefly. It, along with a description of the Spring Creek Ranch Water System Improvement Project (prepared by Bob Norton) and a description of the Financial Implications of the Water System Upgrade Project (prepared by Derek Goodson), was distributed to all of the attendees in the room. It had also been emailed yesterday evening to those Homeowners who had previously indicated that they planned to participate in the hearing by phone.

II. Water System Improvements Project

This section of the hearing was opened with a presentation by Bob Norton. He reviewed the current water system components and locations. He spoke about water usage levels at SCR, and the limitations in information due to the lack of metering. He described the study that had been completed in late 2009 by his firm for SCR, and based on that study he explained the general condition of the system and the need for certain repairs and replacements. He discussed the major components of the improvements project and overall timing targets for the work to be done. He also briefly described the loan funding that may be available through the State, and the water contingency plan in place at SCR for a water emergency (such as due to complete pumping system failure).

The hearing was opened to the public for questions and comments.

Pam Goldie-Morrison asked several questions about the similarities between the water system needs at SCR and those some years ago at Gros Ventre North, changes in costs since the 2009 study by Nelson Engineering, the sufficiency of the projects and work proposed, and the adequacy of SCR's wells and the potential need for a 3rd well given SCR's usage and the prospect of further build-out in the future. Bob Norton responded to each of these questions. Ron Harris noted that the Boards

of both the SCISD and the SCHOA are mindful of the need to continue to look for easement opportunities to increase access to water, should the current wells appear to be insufficient as some point in the future.

Helen Lehman asked questions about the water usage at SCR and the probable impact of further build-out. She commented that she believed that SCR should be actively looking for easements that would allow further drilling, rather than waiting for the need to arise. Ron Harris noted that both Boards concur, along with the needs to be able to measure where our water usage occurs and to encourage conservation.

Michael Lehman emphasized the importance of conservation and encouraging landscaping that does not require extensive watering.

Duncan Goldie-Morrison asked about a comment in the Nelson Engineering study that referred to the adjudication of water rights, and about the seemingly high proportion of water usage for irrigation in common areas. Bob Norton responded to the questions, including acknowledgment that our knowledge of where water usage occurs is very limited since we do not have meters.

III. Proposed Approach to Financing

Derek Goodson made a presentation on financing alternatives, considerations, and the approach being proposed. He briefly summarized the history of the SCISD and its ownership and role regarding the water system and other infrastructure at SCR. He explained the role of the SCHOA in managing and financing maintenance and repairs for the infrastructure. He characterized the alternatives for financing the work needed at this time on the water system as (i) using SCHOA project common reserves for some or all of the cost of the improvements, (ii) taking out a loan (such as the State loan under consideration), and/or (iii) making a one-time special assessment on Homeowners. The proposed approach involves financing a portion of the work out of SCHOA reserves, but with the majority of it through a State loan. He reviewed the costs anticipated and the levels of annual assessments likely to be needed to finance this work through the District using a State loan (approximately \$350-450 per year for each residential property at SCR). Finally, he discussed the expected reduction in SCHOA dues if the improvements were financed through the District with a State loan.

The hearing was opened again to the public for questions and comments.

Tim Motzer asked about the existence of a reserve study for SCR that recognized the need for replacement of infrastructure and planning for

those costs. Derek Goodson indicated in the affirmative and briefly described the process that is followed.

Rich Mickle raised questions about the level of water usage at SCR and the possibility of scaling assessments or rate structures based on the level of usage, in order to encourage conservation. Derek Goodson, Bob Norton, and Ron Harris all responded with universal recognition of the importance of dealing with charges and assessments in a way that is equitable and that encourages conservation (once we have metering in place so that we can measure where the usage occurs).

Jim Byrne asked if manual inspections of the pump houses would still be required with the improvements and if Bob Norton's recommendations for the work proposed on the SCR water system would be different if the water usage pattern at SCR were to differ from the estimates in his analysis. Bob Norton responded to these questions, including the fact that his recommendations were based on the condition of the infrastructure and not by the estimated pattern of water usage.

Pam Goldie-Morrison noted that the estimated usage patterns in Bob Norton's analysis indicate that about 70% is for common area irrigation, and not associated with domestic in-house usage or single family home landscape irrigation. Bob Norton elaborated, noting that the volume of usage for single family home landscape watering is not known.

Kent Van Riper asked Derek Goodson for clarification of the costs expected this spring versus next fall, and how the costs this spring were going to be funded. Derek Goodson responded, noting that work in the near term would be funded by SCHOA project common reserve.

IV. Authorization to Pursue State Loan

Frank Hess explained the process that the SCISD has to follow in order to be able to incur debt and as a result to be authorized to apply for a State loan, and about how voting works within an improvement district (versus voting within the SCHOA). He indicated that a vote was required before the SCISD could proceed with seeking a loan. He described who is entitled to vote within an improvement district under State statutes, including the distinction between a resident "elector" and other "landowners". He discussed the treatment of various situations that may exist at SCR where an individual owns multiple properties or where multiple individuals own a property. He explained that the upcoming election on the proposition to authorize the SCISD to incur indebtedness would be a mail ballot election, with ballots required to be received by 5:00 PM on May 4, 2011. He also indicated that ballots could be cast in person at the Ranch House on May 4, between 9:00 AM and 2:00 PM. He noted

that eligible “landowners” must request a ballot in writing by April 4, 2011; and he indicated that ballots would be mailed within a day either way of April 12, 2011. Ron Harris noted that a letter was sent on March 15, 2011 to all Homeowners which described the process and which had attached to it a form that had been drafted by Frank Hess specifically for the purpose of use by “landowners” to request a mail ballot.

The hearing was opened again to the public for questions and comments.

Pam Goldie-Morrison offered her thanks for the work by the District’s Board in getting this project underway, and reminded everyone who is a “landowner” to get the ballot request form from the March 15th email attachment. Ron Harris also offered that anyone was welcome to request another copy, and that it is due by April 4, 2011. Dave Conine also stressed the importance of voting. Both Boards are in favor of the proposal, but he encouraged everyone to vote regardless of whether they agree with the proposition or not.

Kent Van Riper asked Derek Goodson for some clarification on the amounts expected to be expended in the spring of this year and how they were determined. Derek Goodson explained. Ron Harris added that timing priorities were influenced by the desire to minimize the risk of having a water emergency this summer that we could not catch in time to mitigate adequately.

Tim Motzer asked Derek Goodson several questions for clarification about the SCISD assessment that would be newly added and the partial offset by a reduction in SCHOA Homeowner dues. Derek clarified the issues raised. Tim Motzer cautioned against anything that would unduly deplete the SCHOA reserves.

Michael Lehman offered his thanks for the efforts on this matter, and that he believes the plan to be a well conceived one.

- V. **Questions and Discussion** – The recording of the hearing was transcribed, and the text of that transcript is attached and hereby included by reference.
- VI. **Closing** – Dave Conine thanked everyone who came or called for their time, interest, and participation. The hearing was adjourned at 10:25 AM.

Minutes respectfully submitted: Sharon Kuehn, Secretary

