

Hoback Ranches Service & Improvement District

P.O. Box 33, Bondurant, Wyoming 82922

July 21, 2012 Annual Meeting

Meeting Minutes

A public meeting was conducted by the Board of Directors of Hoback Ranches Service Improvement District on Saturday, July 21, 2012 at St. Hubert's Church, Bondurant Wyoming 82922 at 1:00 PM.

Directors In Attendance:

| | |
|----------------|-----------|
| Richard Thomas | Chairman |
| James Ramage | Treasurer |
| Bill Conley | Secretary |

Chairman Richard Thomas called the meeting to order at 1:05 PM. Richard welcomed summer residents back to the Ranches and everyone to the annual meeting.

APPROVAL OF MINUTES

Minutes for Early Meeting, June 18, 2011

Minutes for Annual Meeting, July 16, 2011

Minutes for Early Meeting, June 16, 2012

Director Ramage moved to approve the above minutes. Director Conley seconded.

Motion Approved.

ELECTION 2012:

Board Director and Secretary Conley updated homeowners on May 8, 2012 election results. The number of Ballots: 263 were sent out; over 30 Ballots were returned for inadequate or unable to forward address.

Ballots Returned: 66

64 votes for William Conley

1 write-in for Sheila McNealey

1 write-in for David Coletti

William Conley unanimously re-elected, and chosen by Board to remain as Secretary.

GUEST SPEAKER: John Linn, Sublette County Commissioner

Commissioner Linn addressed the Hoback Ranches residents on four main topics before opening the floor to questions:

- Fontenelle/Big Piney Fire
- Class II Roads
- PXP drill site in the Nobel basin
- State of the County, revenue projections and projects.

The fire near Big Piney was the largest in the county in a long time. It created a new sense of urgency with the county officials, and fire protection personnel to evaluate all aspects of fire fighting and fire mitigation. Had the weather not cooperated with the fire teams, which helped slow the fire down, it could have spread quickly towards Daniel, and Hoback Ranches. Communities and individuals are encouraged to work on their respective fire mitigation and collectively work towards making the community safer for all residents.

The Class II Road project in Sublette County is being revised slightly to reflect the new realities of Sublette County. The Commissioners want to make sure applicants understand that the purpose of the Class II Road program is not to set the stage for a County Class I road. The program is currently funded, and Commissioner Linn is in favor of keeping the program alive.

The PXP drilling site, west of Hoback Ranches was discussed briefly. The commissioner advised that for a period of time, Sublette County was left out of the discussions with the USFS and PXF about the site, including the environmental impact to water, air and wildlife. They now actively participate in the discussions, and Commissioner Linn is the county representative on the project. A lot of options are under consideration, each having its pro's and con's.

As for the state of the county, Sublette County currently has reserves exceeding \$130M, and they have the goal to have up to five years operating expenses saved for future rainy days when the current revenue generating gas and oil projects slow down. The county is healthy, and projects to benefit the citizens are being approved on a regular basis, provided the funding is available. The most recent project approved is for the upgrade of the Senior Citizen Center project, where over \$2.8 million has been approved to basically replace the existing center due to its dilapidated condition.

Commissioner Linn entertained several questions from the floor and thanked all residents for their active involvement in making Sublette County a better place to live.

OLD BUSINESS:

Chairman Thomas advised that the easement for the County Road II was finally approved by US Forest Service granting a 40 foot easement to HRSID and required HRSID to submit a plan for on-going maintenance. The easement paperwork was filed by USFS with the Sublette County Clerk to record the easement to HRSID. The County has assured HRSID that the funds are still available for the Class II under the new arrangement.

NEW BUSINESS:

BUDGET REVIEW

Director Ramage advised the group that our Assessed Valuation has dropped significantly over the past five years from 2008 and property tax revenues into HRSID reflect that decrease.

For 2012, Property Tax revenue was down to \$34,737.39.. Interest income has also dropped significantly from previous years to around \$1800 annually due to the low rates of return offered by the banks on Certificates of Deposit and savings accounts

As a quick summary, expenses for the 2011-2012 fiscal year were all within the budget. The \$1500 budget for fence maintenance was not spent. Total Revenues for 2011-2012 were \$36,957.66 , expenses were \$40,680.74; for a net income of (\$3,723.08)), resulting in an unreserved fund balance of \$22,510.18. The budgeted net income (loss) was (\$7,234.28).

The new budget for 2012-2013 again requires the use of carry over funds from previous year. For this year's budget, revenue is projected at \$35,650.00 . Property Taxes for 2012-2013 are down another 1% from last year to \$33,850.00. With expenses of \$43,500.00, this will result in a net income for the district of (\$7850.00), and the anticipated balance of the unreserved carry over fund balance would therefore fall to \$14,660.18.

RESOLUTION:

On behalf of the Board, Director Ramage Reviewed and Read the Resolution for 2012-2013 Budget. Motion to Approve: Richard Thomas. Second to Motion: William Conley. Approved unanimously.

Director Thomas reviewed and read Resolution Hoback Ranches Administrative Procedures and Budget, approving the use of Pinedale RoundUp as the official paper, and authorizing the board to spend the money in the 2012-2013 budget as proposed. Motion to Approve: James Ramage, Second: William Conley. Approved: unanimously.

ROADS AND FENCING:

Director Ramage gave an overview of last year's road maintenance efforts, and anticipated maintenance for the coming year. Last year's maintenance efforts consisted primarily of road blading, some culvert work on Fisherman Creek Road, and placing approximately 470 CY of gravel. Road maintenance this year will be similar to last. Roads with the most traffic will again take the highest priority. Unless additional revenue can be obtained in the near future, maintenance efforts will have to be scaled back significantly once the unexpended carryover runs out.

Director Conley gave an update on fence maintenance. No work occurred this spring because we were short funds. Future work on fencing will be for emergency repairs only. Residents are asked to notify Bill Conley of any known breaks in the fence. These will be fixed by volunteers as appropriate. To replace the fence, we have been advised that it will take about \$10.00 per foot. With over 20 miles of fencing, full replacement costs would exceed \$1 Million. Director Conley is surveying all the fencing to better understand the critical areas, and the cost to fix this will be considered in the Special Assessment.

SPECIAL ASSESSMENT:

Director Ramage reiterated the Board's concern regarding the overall state of our finances. On a need basis our annual expenses reach \$50,000 to \$60,000. Our levy is capped at 8 mills, which this year only generated \$35,650 and our investments are returning marginal amounts due to low interest rates. The District's best solution is to pursue a special assessment whereby we can make improvements to our roads that will help reduce annual maintenance. One of the best things we can do to achieve this is to place gravel on our roads. Director Ramage presented a preliminary draft of the proposed improvements for discussion purposes with the audience. The preliminary schedule of improvements includes sections of light gravelling, full depth gravelling, full depth repair, and the application of a dust control agent on some sections. The total estimated cost of these improvements is almost \$290,000. Hauling and placing gravel on the roads is expensive but necessary. Using this preliminary estimate of cost, the assessment would be about \$48 per acre on that basis, or 68 mills if we were able to use an assessed value basis. A lot more work needs to be completed in preparation for the assessment, and more input from all residents will be sought before it is finalized..

The board will continue to work on refining the improvements to be included and associated costs over the summer. . Prior to any hearing on the matter, a notice will be published in the Pinedale RoundUp, on the Website, and notices sent to the HRSID email list, so all concerned residents can actively participate in the discussions regarding the Special Assessment.

Director Thomas read the Resolution of Intent to file for a Special Assessment.

Director Ramage offered Motion to Approve Director Conley Second to Motion.

Approved

WINTER ACCESS

Chairman Thomas updated everyone on the Winter Access Program. He noted that the homeowners in residence during the winter felt the program was successful, and HRSID was appreciative to Jim Gray and Charles Thomas for allowing parking within the ranches on their property. HRSID has improved signage in the Winter to note:

- All Roads are public
- All Property is Private, and No Trespassing is allowed
- NO storage in the parking areas is allowed after the season ends.

Special Thanks for Troy Jerup, Woody Caldwell, and Brandon King for maintaining the HRSID designated roads during this past winter. Contributions to the Winter Access Program of \$300 per family are voluntary, and welcomed.

OTHER DISCUSSION:

Fire Mitigation

Lucy Conley advised that the new Hoback Ranches Fire Notification Tree was updated and that the first test of the system worked as planned.. All homeowners are asked to get their current phone and contact information to: HRSID@yahoo.com, if they have not already done so.

Website and Email List

HRSID is using email to expand communication to those residents who wish to keep abreast of activity. A private, confidential email list has been developed for this purpose. All residents are encouraged to provide an email ID for this purpose. Send to: wiconley@yahoo.com or HRSID@yahoo.com

The Hoback Ranches Website: www.hobackranches.com has been updated and improved. All HRSID minutes and important Hoback Ranches information are posted

on the site.

Water Testing

Linda Cooper updated all on the PXP/Noble Basin Project. The project is still moving forward but has not been finalized. As a precaution, all homeowners in Hoback Ranches who are in the affected area are strongly encouraged to have their water tested prior to any activity. Linda has worked to get an approved EPA water testing lab available. Contact Linda Cooper: ljcinwy@wyoming.com

ELECTION 2013

Chairman Thomas noted that the 2013 Election scheduled for Tuesday, May 7, 2012 for the upcoming year will be a "MAIL BALLOT".

- Ballot must be signed to be valid
- Ballots cannot be forwarded, so all residents need to ensure the address of record by the Sublette County Tax Assessor is correct.
- Absentee ballot is not allowed on Special Elections that occur outside the General Election process.

Next year's early summer meeting: June 15, 2013

Next year's annual meeting: July 20, 2013

Both meetings will be at 1:00PM at St. Hubert's Church, Bondurant, WY 82922.

Motion was made and seconded to adjourn the meeting. Chairman Thomas adjourned the meeting at 3:11 PM.