

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Monday, October 14, 2002 Silverthorne Library (Blue River Room)

Attending board members:

Kolbjorn Tenfjord	Eddie O'Brien	Niel Christensen
Lowell Graves	Dennis Archer	

Others attending:

Bob Polich	Administrator, Mountain Systems, Inc.
Matt Willitts	Operator, Water Solutions
Lois Frabel	Hamilton Creek Owner
Warren Mielke	Hamilton Creek Owner

President Kolbjorn Tenfjord called the meeting to order at 3:07 PM.

Minutes. *The minutes from the July 8, 2002 meeting were approved as written. (Graves/Archer,5-0).*

Legal. A summary of the legal actions since the July meeting was provided to the Board. Attorneys for both sides requested a three day trial instead of the original two day trial scheduled for August 22nd and 23rd. The trial was moved to October 29th-31st, but later the other side requested and had the date moved to the current schedule of January 7-9, 2003. The District offered an interest settlement of \$250,000, full payment of the principal on the due date and payment of all water repair cost at a mitigation hearing held August 6th in Denver. The offer was not accepted and the other side made no counter offers. The mitigation judge felt no settlement could be reached and the session was adjourned. There was a discussion with an owner present regarding some of the issues in the case. The trial is only concerning whether the District's water supply was contaminated with fluoride in 1990 (when the bankruptcy was finalized) and if interest continues on the accrued interest following the payment of principal in 2004. Regardless of the outcome of the trial the mill levy of the District remains at the 40 mills per the bankruptcy plan and the cash flow provisions of the plan continue.

Water Repairs. The September 2002 design of the water repairs was provided to and reviewed with the Board. The District is waiting for the final shop drawing and approval of the custom vault to be used underground near the Creek to house the pump equipment. Construction will continue as weather permits. The District is applying for a building permit for the Tuff Shed used to house the bag filtration equipment and the electrical permit to run new electrical feeds for the temporary and final pump buildings. The September 2002 design includes the permanent water intake, vault and piping to the pump house. The Tuff Shed and bag filtration is a temporary solution until a permanent pump station can be built. Design of the permanent structure would be done this winter

with the intent of construction in 2003, pending funding and the status of the legal appeal. The Tuff Shed design would cost approximately \$7,500 including \$2,500 for cedar siding. The Shed is designed to Summit County building code and includes insulation and interior wall covering to minimize noise. The structure is 10-foot by 12-foot with a shed style roof similar to the existing pump house. *A motion was made and approved to authorize the District to order the proposed Tuff Shed to use as a temporary water treatment plant pending the construction of a permanent pump station. (Graves/Christensen,5-0).*

Snow Removal Contract. A proposed contract for snow removal for the 2002/2003 winter season has been received from Collard Excavating. The proposal is for plowing at \$100 per hour with a minimum fee of \$650 per month from mid November through mid April. Collard had done the plowing for all but one of the last seven years in the District. Members of the Board commented they felt he has done an excellent job at a fair cost. *The snow removal contract for the 2002/2003 winter season with Collard Excavating at \$100 per hour, \$650 monthly minimum, was accepted by the Board. (O'Brien/Graves,5-0).*

Forest Maintenance. Cut Above Forestry had surveyed the District and found 44 bug-infested trees. No trees were found in the spring survey. Weak and damaged trees, due to the recent few years of drought, are susceptible to the bugs, but the forest overall remains healthy. The flagged trees will be cut and removed by Cut Above Forestry.

Financial Report. A financial summary for the nine months ending September 2002, a 2002-year end estimate, and a preliminary 2003 budget was provided to the Board. The combination of the high cost of the legal work associated with the pending trial and the continued design of the water repairs require more funds than available to the District in 2002. The projection included a line of credit of \$150,000 in 2002 that would be paid prior to July 1, 2003 using the property tax collections from March through June. Construction of the permanent pump station in 2003 is based on obtaining a low interest loan from the State of Colorado. *The Board authorized obtaining a line of credit for up to \$150,000 to fund operating expenses in 2002 and early 2003. The line of credit would be paid off from 2003 property tax receipts received in March-June 2003.*

Roads. The District had received a request to install Hamilton Creek Trail streets signs to face traffic both going up and down. A few similar comments have been received in prior years on other street signs. *The Board felt the Hamilton Creek Trail sign could be relocated to be better visible from both directions of travel. Duplicating the wood sandblasted signs for both directions on all roads would be excessive signage and not necessary at this time. (Graves/Tenfjord,5-0.* At total of 32 speed limit (23 mph) and slow curves signs were scheduled to be installed on Hamilton Creek Road and Lake View Circle prior to winter.

Guard Rail. A South Forty resident who's property is below Hamilton Creek Road near the entrance had requested a guard rail be placed on the road above his home. The District had never known of any traffic problems on this straight stretch of road and felt the existing guardrails were sufficient within the District. *The Board decided at this time*

that additional guardrails on Hamilton Creek Road above the South Forty were not necessary. (Christensen/Archer,5-0).

Water Usage. The District invoked water restrictions at the July 8th meeting, which was communicated to water users in the mid July water billing. After a record high 2nd quarter usage (including only one irrigation month) the usage in the 3rd quarter (including three irrigation months) was slightly below both the 2nd quarter 2002 and the 3rd quarter 2001. The water usage reduction helped mitigate the pumping and water quality problems that caused the restrictions to be invoked. Pending an adequate snowfall during the winter season, the water restrictions remain in effect.

Water operations. Larry Blackmun had requested Matt consider boosting the system pressure in the middle zone to provide better household pressure in the Benches. The District had noted that limited pressure would be available in the Benches prior to construction and the water lines were oversized to insure adequate flows. The District had indicated prior to the development of the Benches that individual booster pumps in each house likely would be necessary. A review of the system by Matt and RTW indicated that a 20-pound pressure increase is possible. However, due to being located on a hillside, the District has had high pressures in places (and similar or worst low pressure in some existing residents) for its history. Increasing the pressure could potentially shorten the life of the system. Some properties in the District have had pressure related water damage when their individual PRVs failed within the home. *A motion was made to continue the pressure that was call for in the original design of the water system. (Graves/Christensen,4-0-1,O'Brein abstained).*

The meeting was adjourned at 4:55 PM.