

# HAMILTON CREEK METROPOLITAN DISTRICT

## BOARD OF DIRECTORS MEETING Monday, March 19, 2001 Schmidt Room, Silverthorne Town Hall

Attending board members:

Kolbjorn Tenfjord	Eddie O'Brien
Lowell Graves	Vern Lindholm
Ray Stokes	

Others attending:

Bob Polich	Mountain Systems, Inc.
Matt Willitts	Water Solutions
John Almond	731 Lakeview Circle

President Kolbjorn Tenfjord called the meeting to order at 2:10 PM.

**Minutes.** *The minutes for the meetings on June 12, 2000 and December 11, 2000 were approved as written. (Graves/Lindholm,(4-0).*

**Legal.** Bob Polich provided the Board with an update of the current legal status. Colorado Bondshares had appealed to the Colorado Appellant Court objecting to the District Court ruling in favor of the District. The initial brief from Bondshares was filed in January, the District's in February and the answer from Bondshares in March. The District has an answer to file in the next few weeks. The issues appealed by Bondshares are the ruling that interest no longer accrues following the payment of principal and that the expense for the water repair is not a capital expense. The District cross-appealed the decision that the accrued interest remained payable after the final principal payment. Bondshares is arguing that the support documentation of the bankruptcy indicate interest payments continue, the definition the District Court used regarding capital was not correct, and the Court was in error in indicating that there was a prior baseline when the District had suitable water. The District disputes the argument of Bondshares and adds that the face information on the bond is that the interest is no longer payable after the final principal payment. Attorney Jeff Cohen has indicated he felt the case would be heard in six to nine months.

**Water system repair.** Bob Polich and Matt Willitts updated the Board on the status of the water system repairs that would use source water from Hamilton Creek near the existing pump station. While there was no conclusive final evidence, all information to date appeared to indicate the water would be suitable and contained limited amounts of fluoride well below the limit. The current plan was to construct the access road and drill a well as soon as weather permits. Should a well not be successful, an infiltration gallery would be constructed in the Creek. A pipeline would be built to bring the water to the existing pump house. Pending water samples, the new water would either be connected into the existing system or an expansion of the pump house would be made to accommodate treatment equipment. The issue regarding the treatment equipment is dictated on whether the water was determined to

be ground water, ground water under the influence of surface water, or surface water. Several different treatment options may be available depending on water quality and the type of treatment technology selected. Cost of the water system repair is dependant on the final requirements based on water sampling, but the cost range should be between \$400,000 and \$1,200,000.

Preliminary conversations have been conducted with a representative of the State of Colorado regarding a loan from the Colorado Water and Power Authority. This would be from a loan fund specifically for systems under enforcement orders. The representative felt the issue regarding the residential value of the properties in the District and the bankruptcy issue could be dealt with in the application. *The Board authorized the District to obtain a loan or loan commitment up to the maximum cost estimate of the water repairs of \$1,200,000 or higher if necessary to complete to the repair work. (O'Brien/Lindholm,5-0).*

**Lot 15, Zarn, Common driveway.** The homeowner of this property is proposing a common driveway through open space land that has elements of concern for both the Homeowners Association and the Metro District. The District is responsible for maintenance of driveways that serve two or more homes (subject to grade restriction on some maintenance and acceptance of the driveway) and also maintenance of the common water lines subject to acceptance of the line. No formal review or request has been made to the District at this time regarding construction on Lot 15. The Board agreed all concerns of the District and the Homeowners Association should be addressed prior to a District sign off on the building permit.

**Water operations.** Matt Willitts reported the water tank level controls had been in place for several months and were operating well. He recently added a UPS backup to the system to handle power outages. Fire hydrant maintenance and PRV cleaning / maintenance would be scheduled this summer around the water repair construction inspections. The PRV's are operating well, but Matt still has concerns with the upper 4" PRV at the base of Lakeview Circle. The vault and PRV will likely need to be rebuilt and upsized in the near future. There was a discussion with the Board regarding painting and marking (with flags) the hydrants in the District. Comparisons with water pumped and water used indicates the District lines are within an acceptable range for water loss. Matt suggested having a leak detection survey done in the future after completion of the proposed water system repairs.

**Financial report.** The District has utilized most of its available funds at the end of 2000 for payment of water repair design work and legal expenses. The first large property tax receipt of the year 2001 was received March 10<sup>th</sup> providing needed cash funding to the District.

**Snow Removal.** The snow removal service this year provided by Collard Excavation has been very cost effective while not quite to the level of service provided in prior years. Through four months of the five-month snow season the District has spent under \$12,000 of a total budget of \$25,000 for snow removal.

**Road Maintenance.** The seal coat and guard rail projects approved at the December 2000 meeting and part of the year 2001 budget were still planned for this summer.

The meeting was adjourned at 4:10 PM.