

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Monday, August 20, 2001 25 Eagle Wings Trail, Hamilton Creek

Attending board members:

Kolbjorn Tenfjord
Lowell Graves

Eddie O'Brien
Ray Stokes

Others attending:

Bob Polich
Jeff Cohen (telephone)

Mountain Systems, Inc.
Cohen and Assoc.

President Kolbjorn Tenfjord called the meeting to order at 5:30 PM.

Colorado Appeals Court Ruling. Colorado Bondshares had appealed the ruling of the District Court in the declaratory action brought by the District that stated the water system work to remove fluoride was a repair. The Appeals Court affirmed the decision in part, reversed it in parts and sent it back to the trial court. The District had also appealed the ruling of the District Court that the accrued interest obligation did not cease with the last principal payment. The Appeals Court upheld the District Court's ruling that the obligation to pay the accrued interest did not end with the principal payment. It sent back to the District Court for further determination based on the intent of the parties of the Bankruptcy whether the interest on the accumulated interest ended with the final principal payment. The Appeals Court also found the District Court's definition of a capital improvement was accurate. However, they found the District Court did not hear evidence regarding if the water system of the District had contained fluoride in 1990. This question was referred back to the District Court for determination.

Executive Session. *A motion was made, per Colorado Revised Statute 24-6-402(4)(b) to hold an executive session with attorney Jeff Cohen to obtain legal advice on the action the District should take with regards to the Appeals Court ruling. (Tenfjord/Graves,4-0). In executive session Jeff presented to the Board the options available and the likely outcome of each option.*

The executive session was ended. *A motion was made for the District to not file any action requesting reconsideration by the Appeals Court or to appeal the action by the Appeals Court to the Colorado Supreme Court. (O'Brien/Tenfjord,4-0).*

Water Repairs. A road to access Hamilton Creek near the existing pump station was constructed in June. A well was drilled to the depth of 120 feet in July. The purpose of the well was to determine if a narrow aquifer of water was present under the creek bed. No aquifer or water was found by the well. Engineers for the District were currently continuing with designs to access the surface water in Hamilton Creek. The engineering firm of RTW had recommended using a microfiltration system to meet State of Colorado water standards for surface water. Proposals for microfiltration systems had been received from Pall and Memcor. Depending on size, the cost of the system was between \$100,000 and \$250,000. Tours of installations of the two systems had been scheduled.

The meeting was adjourned at 6:45 PM.