

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Monday, July 8, 2002 Silverthorne Library (Blue River Room)

Attending board members:

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

Others attending:

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| Bob Polich | Administrator, Mountain Systems, Inc. |
| Matt Willitts | Operator, Water Solutions |
| Han Zimmer | Hamilton Creek Owner |
| Warren & Lee Mielke | Hamilton Creek Owner |

President Kolbjorn Tenfjord called the meeting to order at 2:55 PM.

Minutes. *The minutes from the March 18, 2002 meeting were approved as written. (O'Brien/Graves,5-0).*

Officers. *A motion was made and approved designating the officers of the Board of Directors. (Archer/Christensen,5-0).*

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| Kolbjorn Tenfjord | President |
| Lowell Graves | Vice-President |
| Niel Christensen | Treasurer |
| Dennis Archer | Secretary |
| Eddie O'Brien | At large |

Legal. A summary of the current legal actions in progress was provided to the Board. The Colorado Court of Appeals had returned to the Colorado District Court the question of if the District's water was contaminated with fluoride at the time of the 1990 bankruptcy and the question if interest on the unpaid interest should continue following the payment of principal in November 2004. A trial on these issues is scheduled for August 22nd and 23rd. Regardless of the outcome of the trial, the District will continue to operate under the guidelines of the 1990 bankruptcy plan that limits the mill levy to 40 and allows payment of all operating expenses before funding of the bond interest payment.

Water Repairs. The District continues to proceed with the design and scheduling of the access to the Creek to utilize surface water in the District water system to eliminate the presence of fluoride that exceeds the maximum contamination level of 4.0 mg/l. A simplified buried intake structure is being planned next to the Creek on District property. The water would be pumped from this location to a surface water treatment plant. The

initial treatment plant would be in a temporary structure and utilize the “bag filtration” method. A permanent plant would be built next year that would utilize some of the bag filtration equipment for pre-filtering with final treatment by a micro-filtration system.

Water Usage. The billing newsletters and information provided at the annual meeting had requested owners to limit water usage due to the drought conditions and the limited pumping capacity of the system. Last year the daily demands for water during the irrigation season nearly exceeded the production capacity of the well pumps. Despite the request to limit usage, water usage during the 2nd quarter was a new high. The Board was provided with a list of water users in order of gallons used. The report clearly reflected the high usage was due to outside irrigation. The high usage was again nearly exceeding the pumping demands of the District. Additionally, the drought conditions raised concerns for the amount of water available for later this year and a higher concentration of sulfites was being noted in the water. *In an effort to maintain adequate household water of the best quality possible and to provide maximum fire protection, the Board adopted the recommendations of the Administrator and Water Operator to impose water restrictions. Outside water usage would only be allowed before 8AM and after sundown effective immediately and until rescinded by the Board. (Graves/Tenford,5-0).*

Administration. A financial report for the first 5 months ending in May 2002 was provided to the Board. The majority of the expense of the District was for the cost associated with the continuing legal battle and the design of the repair to remove fluoride from the water. It was reported that Attorney Mark Richmond was working on an easement to provide the District with the legal access to the common area for the existing and planned water system. Also, included in the easement would be a non-exclusive access to the common area to construct and maintain recreation facilities and trails. The 2001 seal coat of the roads held up well during the first winter. The guardrail between Spinning Leaf and Eagles Wing was scheduled for repair later in the month. *The Board approved the repairs with the addition of double support posts to protect against heavier vehicles going through the rail in the future. (Tenford/O'Brien,5-0).* The septic pumping for 22 residents was scheduled to begin in the next few weeks.

Water operations. Water operator Matt Willitts reported to the Board in more detail the increased concentration of hydrogen sulfite in the water. The higher concentration had resulted in the higher zone pressure-reducing valve plugging much quicker than anticipated. This was requiring increased maintenance and cleaning of the PRV. Matt indicated that many of the pipes within the system and in individual homes likely were coated with the sulfites. When water with lower sulfite content is introduced into the system, there is a possibility that it may take some time for this layer to be cleared resulting in some short-term water quality issues.

The meeting was adjourned at 4:45 PM.