

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Monday, December 9, 2002 Silverthorne Recreation Center

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

President Kolbjorn Tenfjord called the meeting to order at 2:06 PM.

Minutes. *The minutes from the October 14, 2002 meeting were approved as written. (Graves/Archer,5-0).*

Water Repairs. Stan Miller Excavation was mobilizing equipment and would be starting the Creek access portion of the water repairs this week. They expected the work to take three weeks. Work had been completed in October to run new buried control cable from the pump station to the water tank; new electrical feeds from the utility box; install the pipe under the temporary pump house site; and place the concrete pad for the new pump house. This work needed to be completed prior to winter weather. The Creek access work consists of installation of the vault and running of pipe from the Creek to the new pump house to be done by Stan Miller. Due to the confined space and weather conditions it is expected to be a difficult job with extensive excavation. Following the pipeline work, the Tuff Shed will be installed; then the installation of the treatment equipment and pumps in the new building and vault would begin. Matt Willitts projected work would be completed to begin using the new water source by the end of April 2003. The continuation of the water system repairs was being done during the winter months in an effort to meet the State of Colorado requirements to remove fluoride from the domestic water supply at the earliest possible date.

Legal. The trial in District Court in Breckenridge remained scheduled for Tuesday-Thursday January 7-9th 2003. 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.

Operations. Regular water operations were proceeding in addition to the work on the water system repairs. Residents used slightly less water than in the prior year during the summer quarter ending in September due to the water restrictions. The water restrictions

remain in effect. Flow in the Creek has increased from a low of 6 gallons per minute at the start of August to around 20 gallons per minute currently. The increase was somewhat unexpected, but reflected the effect of late summer and fall rains. The water repair design would allow supplementing of the water supply with the existing well during drought periods. However, reduced outside usage would be required by area residents to maintain good water quality.

The early season snows required more snow removal than in the past few years. The Board felt the removal being done by Dave Collard Excavating was good so far. Over 30 new signs including 23 MPH speed limits and slow corners have been installed on Hamilton Creek Road and Lake View Circle.

A Cut Above Forestry had removed most of the trees that had been identified as bug infested. A few trees were not accessible in the snow and would be removed prior to mid-July.

2003 Budget. A public hearing was called to order on the 2003 budget. No members of the public were present. The hearing was closed.

The forecast for the end of 2002 reflects obtaining a loan from Liberty Savings Bank in the amount of \$150,000 to fund the year-end water repairs. The water repair work combined with the continuing legal expense resulted in the cash flow shortage. The loan would be repaid from operation income received by July 2003. 2003 income is based on the required 40 mills per the bankruptcy plan and continuation of the existing quarterly metro fee for residents. User fees to residents were similar to other jurisdictions. Operating expenses for 2003 reflect nominal increases from 2002. The 2003 budget anticipates the ability to obtain long-term financing for the final phase of the water repairs that include the construction of the permanent pump house and the installation of a microfiltration water treatment system. The District engineers, pending the permanent pump house construction, are authorizing the temporary treatment of the water by bag filtration.

The Board approved the 2003 Budget and the resolution authorizing the collection of property taxes by Summit County based on 40 mills against the assessed valuation of the District. (Christenson/Tenfjord,5,0).

The meeting was adjourned at 4:05 PM.