

# HAMILTON CREEK METROPOLITAN DISTRICT

## BOARD OF DIRECTORS MEETING

Monday, March 17, 2003

Silverthorne Library

Attending Board members:

Kolbjorn Tenfjord

Niel Christensen

Lowell Graves

Dennis Archer

Others attending:

Bob Polich

Administrator, Mountain Systems, Inc.

President Kolbjorn Tenfjord called the meeting to order at 3:08 PM.

**Minutes.** *The minutes from the December 9, 2002 meeting were approved as written. (Graves/Christenson, 4-0).*

**Water Repairs.** A picture history of the water repairs from December 2002 to date was shown the Board. A summary of the repairs and the work to be done was provided. It was anticipated completion of the work would be early in April 2003 and with water service available through the repaired system by the end of April 2003. The cost of the repair work to date was approximately \$250,000 with additional electrical, control work and mechanical plumbing still to be billed. While the pump house facility was temporary, the majority of the repair expense would be part of the permanent facility. The Creek flow in late December was about 20 gpm and the pump testing at that time was successful with a yield of approximately 16 gpm. The current Creek flow was between 41 gpm and 47 gpm.

**Legal.** The trial on the issues returned by the Appellant Court occurred on January 7<sup>th</sup> to 9<sup>th</sup>, 2003 in District Court in Breckenridge. The issues in the trial were whether the water was contamination (fluoride) when the Bankruptcy Plan was accepted in 1990 and if the intent of the parties when the plan was approved was to have interest continue to accrue on unpaid interest following the payoff of all principal. The trial seemed to go well for the District. Approximately \$37,000 was spent in January for the three-day trial including legal fees and expert witness fees. The decision of the judge could be provided at anytime. If the same amount of time were taken as with the first trial, the decision would be received in May 2003.

**Financial.** A financial summary for the two-month ending in February 2003 with a 10-month estimate for a projected year-end was furnished to the Board. The District had borrowed \$160,000 from the Hamilton Creek Association as a replacement for the loan from Liberty Savings Bank approved by the Board, but not funded by the bank. The District had utilized the funds to pay all operating costs and the water system repairs excepts for \$18,000 due to Stan Miller; \$30,000 due to RTW Engineering and \$50,000 to

Cohen and Associates. Arrangements had been made to defer these payments. Revenues in the next four months would be used to fund the final repair work and repayment of the Association loan. The year-end projection anticipates an approximate \$150,000 cash flow shortage at year-end. It would be anticipated that the District would arrange additional funding this summer, likely from a financial institution, with a term of less than one year. The current water repairs have been paid for from operating revenue as instructed to by the District Court in their June 2000 ruling. Bank funding would be dependant on the ruling of the Court in order to provide a financial institution sufficient security for repayment of any loan. The District anticipates \$213,000 in tax revenue and \$12,000 in user fees to be received in the remainder of 2003.

**Operations.** Matt Willitts was unable to attend the meeting, as he was involved in work on the water repair project. Water operations have been normal during the major repair work of the last few months.

The snow removal service provided by Dave Collard had been good during the year, particularly during the heavy snowfall periods. The District would continue to work closely with Dave Collard and to consider all potential snow removal options to provide good, economical service to residents.

A Cut Above Forestry had provided the District with the preliminary forest maintenance report and plan. Due to the cash situation in 2003, it was unlikely the forest maintenance projects recommended by the report would begin until 2004. Arrangements were being made with A Cut Above Forestry to provide individual owners with tree spraying services this summer (at the owner's expense) and to possibly provide slash-hauling services during the Association clean up day.

**Easement.** The Association had approved an easement document prepared by Attorney Mark Richmond that would transfer to the District a non-exclusive easement to all common areas to provide services, including recreational activities. An exclusive easement was provided to the District for all water facilities on common property. *A motion was made to accept the Easement Agreement for the common property as approved by the Board of Directors of the Hamilton Creek Association on February 18, 2003. (Graves/Archer,4-0).*

The meeting was adjourned at 4:45 PM.