

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Tuesday, December 6, 2005 Blue River Room – Silverthorne Library

Attending Board members:

Kolbjorn Tenfjord
Lowell Graves

Niel Christensen

Eddie O'Brien

Others attending:

Bob Polich
Matt Willitts
Rob Hess

Administrator, Mountain Systems, Inc.
Water Operator, Water Solutions
President, Hamilton Creek Association

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

Minutes. *The minutes from the October 13, 2005 meeting were approved as written. (Graves/Tenfjord, 4-0).*

Legal. Colorado Bondshares had filed their brief on their appeal of the Trial Court ruling of June 1, 2005 holding for the District on the issue of the water correction work. The writing of the District brief was currently in progress by Attorney Jeff Cohen. The issues of the case were briefly reviewed by the Board.

Water operations. Matt reported higher than expected water usage from October until recently. There was a discussion regarding how average and higher usage was determined. Subsequent to the meeting, the year-end water meter readings indicated two homes that accounted for the excess usage that had been observed. Matt indicated he was comfortable with the operation methods developed last year during run off. He was confident his operators would be able to handle the issues with an expected higher run off in 2006.

Administration.

Water Line Project. The work on the water lines on Lakeview Circle and Red Buffalo were completed for this year. Further work to complete the Lakeview Circle loop would be started again next summer.

Accessory Unit Water Usage. Hanspeter Spuhler, 720 Lakeview Circle, had contacted the Board regarding his belief the water charges for his property with an accessory unit were not fairly determined. The policy of the District that was first determined in the early 1990's when the original PUD was downsized and the accessory units were allowed (subject to Summit County approvals). An accessory unit pays a development fee, a tap fee, and an additional base rate. The District water policy includes 15,000 gallons per home in the base rate with usage above this charged an escalating rate per 1,000 gallons. Spuhler believes that his accessory unit property should be allowed 30,000 gallons of base usage prior to the escalating usage rate. The Board discussed the various view points on this. Hamilton Creek has a very limited supply of water. The escalating rate structure is intended to control water usage. Accessory units are a

convenience to homeowners and allow them to legally have unrelated parties live in the same single family home. As the intent of the Hamilton Creek water policy was to control usage by homes, particularly outside usage for irrigation, the Board felt it was contrary to the conservation policy to allow any home extra water usage. *The Board approved retaining the existing policy of the base rate including 15,000 gallons per property regardless if it had an accessory unit or not. (Graves/Christenson,4-0).*

Forest Maintenance. A Cut Above Forestry had marked over 100 trees in Hamilton Creek for removal before next July. A summary of the trees marked had been forwarded to the Board. A few trees that had been sprayed were on the cut list. However, with the limited data to date, this may be a reflection of trees previously infected rather than the effectiveness of spraying. It was the intent of the District to continue the policy of removal of all infected trees and spraying selected trees to protect them.

Address signs. The issues of address signs was deferred to a later meeting. Currently the signs are maintained by the Association.

User rates and tap fees. There was a discussion of the current water rates. The base fee is \$125 including 15,000 gallons of quarterly usage. Usage from 15,000 to 20,000 gallons was at \$5 per 1,000 gallons. Usage above 20,000 gallons was at \$10 per 1,000 gallons. In the case of unusual usage due to pipe leaks or other inside the home problems, the District may reduce the per 1,000 gallon rate to \$3. The excess usage charges had been increased for 2005. Tap fees were \$4,500. There was a discussion of increasing the tap fee as they currently were lower than some similar water providers.

Construction deposit. The District held a \$3,000 refundable deposit for the protection of the roadways and infrastructure. The Homeowners Association was considering charging a deposit. There was a discussion regarding combining the deposit from both entities and have it collected by the Metro District. It was decided to make no changes in the deposit policy at this time.

Snow removal. The early winter snow fall has been higher than normal. Overall snow removal had been good.

Budget / Public Meeting. A 2006 budget had been provided to the Board. The required published notice of the meeting for the budget approval had been made. The 2006 budget was reviewed by each line item with the Board. *A motion was made to approve the 2006 budget, retain the 2005 rates schedule, and the 40 mill levy required. (Graves/Christenson,4-0). The Board approved a change in the tap fee to \$5,500 for 2006 (O'Brien/Graves,4-0).* Tap fees are normally only accepted when the building permit is issued. As several homes were in the design approval process with the Association, the Metro District would allow payment of the tap fee at the 2005 rate prior to December 31, 2005 for these properties. Should a building permit not be issued by July 1, 2006, the tap fee payment would be refunded and the current rate would apply for any future permit on the property.

Next meeting. The next regular Board meeting was set for March 23, 2006.

The meeting was adjourned at 4:00 PM.