

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING Friday, December 8, 2006 Blue River Room – Silverthorne Library

Attending Board members:

Kolbjorn Tenfjord
Lowell Graves

Niel Christensen
Dennis Archer

Eddie O'Brien

Others attending:

Bob Polich
Matt Willitts
Rob Hess
Jacque Delorimer

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

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

Minutes. *The minutes from the March 23, 2006 meeting were approved as written. (O'Brien/Archer,5-0).*

Legal. The Board had been updated via email regarding the November 14, 2006 Oral Argument in front of the Colorado Court of Appeals that resulted in a decision for the Metro District released on November 24, 2006. Bondshares has until early January 2007 to appeal the decision to the Colorado Supreme Court. There remains the possibility that Bondshares could start another court case regarding the bonds.

Water operations. Matt Willitts of Water Solutions reported water lines in the house at 1792 Hamilton Creek Road froze due to the gas being turned off. The District meter was replaced. Operations of the water plant continued to be routine. A concern regarding higher levels of Disinfection By Products had been reduced by a modification in operating procedures. The level had always been below the action level. Water Solutions was currently fine tuning the automatic operation of the system in maintaining chlorine levels. The operating system was being reprogrammed to run remotely during off hours for spring run off. The Creek level remained strong all year. There were no problems with sufficient water production or availability during the summer. There were no Creek readings made during the fall as the pump house area to the Creek had been graded with top soil and hydro seeded. Overall, the Creek levels were about 20 gallons above prior year levels. There was a failure of a gas valve at 15 Harvest Moon Rail that had shut off the heat system resulting in a low temperature alarm. There was a discussion regarding frequent failures of gas valves and regular replacement of them in homes.

Administration.

New Water Treatment Facility. Matt and Bob Polich of Mountain Systems met with the representative of the Memcor Microfiltration system. This type of system will be considered in a future new facility. Concerns regarding the amount of waste and appropriate sizing of the unit were discussed at the meeting. A result of the meeting was a possibility to lower the size of the unit required for service limiting the amount of waste that would need to be removed. The

District is considering approaching Silverthorne (if the proposed Anglers Ranch development went forward) to allow connection of a new water treatment facility to a sewer system. Disposal of water treatment waste was one of the most difficult issues to resolve in the consideration of alternate treatment methods.

Forest management. A Cut Above Forestry has marked 1,294 trees infected with the pine beetle. Last year over 400 trees were removed. Trees marked were only completely infected. Partially infected trees are not initially marked. The large number of trees posed a budget issue as based on historic cost, there was not sufficient funding available to remove all of the trees marked. There was a discussion regarding potential options including focus of work on specific areas and the roles the homeowners and Association could play in reducing costs. Rick from A Cut Above had recommended prioritizing the areas around Nordic Trail, then the area around the cabins. He felt the areas below Lakeview Trail were more of a priority should the District need to limit the amount of removal. The Board felt it would be good for Rick to attend a future meeting to discuss the forest maintenance in more detail.

Snow Removal. Dave Collard Excavating is again being used by the District for road and driveway snow removal. One other bid was received that was over double the prior year cost. Several contractors decided not to bid. There were no bids on the full driveway snow removal that had been offered the last two years at a shared cost with the homeowner. As less than 10 homeowners used the full driveway snow removal and no contractor was available to do it, it was not offered this year. Snow removal to date had been good.

Loan payment. In March of 2006 the interest on homeowner loans was paid. Two of the loans had half of the principal retired. One additional loan was obtained by the District in 2007 to fund the water line work on Lakeview and Red Buffalo. The 2007 budget reflects a March payment of interest on all loans plus the retirement of one half of the principal on all loans except for Gilson. A principal payment of less than half would be made on the Gilson loan. The projected 2008 budget would retire all loans with the exception of Gilson that would be retired in 2009.

Mail boxes. The District had installed 26 mail boxes in 2006 that were all in use. The Town had indicated they would consider the permanent mail facility to service Hamilton Creek and South 40 in 2007. The 2007 budget allocated capital funds to the mail facility. There was Board discussion regarding the priority of the facility (compared to forest maintenance and loan retirement) and the potential cost of the facility. Construction of a mail facility in 2007 remains a desired goal of the District.

Other. There was a discussion of the existing 40 mill levy set by the 1990 Bankruptcy. It was expected that assessed valuations would increase next year for the 2008 budget. Future communication to the owners of the assessed valuation and mill levy may be necessary to clear any confusion regarding this.

The Board had addressed the Spuhler (720 Lakeview Circle) request to change policy regarding included water for an accessory unit at the December 2005 meeting. The Board indicated the limited water available in Hamilton Creek did not warrant modifying the policy that had included water at 15,000 gallons per home regardless if it had an accessory unit.

The Board had adopted a policy in December 2005 with the construction of lines on Lakeview and Red Buffalo to incur the cost of any fire hydrant installed as it benefited all owners. During the construction of his home at 891 Lakeview Circle in 1999 Jacques DeLorimier had installed a hydrant to eliminate the need to fire sprinkle the home. There was a discussion of the cost of this

installation and the estimated cost to the District of \$5,000 per hydrant. *A motion was made to reimburse DeLorimier \$5,000 for the hydrant during 2007. (O'Brien/Graves,5-0)..*

Rob Hess updated the Board on his desire to include owner addresses on an improved web site that would be password protected and owners would have the option to opt out of. Bob Polich expressed to the Board concerns with potential liability issues by placing this info on the web site; the info was available electronically to owners on request; and owners would call for the password anyway. No decision was made by the Board.

Budget. There was a motion to open the public hearing on the Budget (O'Brien/Graves,5-0). The budget was reviewed by line item including the 2006 estimated year end and the 2007 budget. User rates were to remain the same. As discussed during the meeting, a focus was placed on retirement of the homeowner debts. The water and road maintenance budget remained at the same level as the last few years. Forest maintenance was funded slightly higher than the spending in each of the last two years, but this may not be sufficient to remove the entire beetle kill identified. Eddie O'Brien offered the opinion the existing \$5,500 tap fees was lower than surrounding entities. A motion was approved to increase the tap fee to \$6,000 for any building permits approved in 2007 by the District. (O'Brien/Graves,5-0). The 2007 budget and user rates were approved as presented. (Christenson/O'Brien,5-0).

Meeting dates. The following dates were tentatively set for 2007 Metro District Meetings. Meetings would be Thursday afternoons on February 15th, June 14th, October 18th and December 6th.

The meeting was adjourned at 5:20 PM.