

HAMILTON CREEK METROPOLITAN DISTRICT
BOARD OF DIRECTORS MEETING
Wednesday, March 16, 2011
Murphy's

Attending Board members:

Ann Beauprez	Tom Hand
Bill Ferris	Chuck Harris
Jacque DeLorimier	

Others attending:

Bob Polich	Administrator, Mountain Systems, Inc.
Matt Willitts	Water Operator, Water Solutions
Ruth Carroll	Hamilton Creek Association
Connie Ritchie	160 Hamilton Creek Trail

President Tom Hand called the meeting to order at 3:04 PM.

Minutes. *The minutes from the November 17, 2010 meeting was approved as written. (Beauprez/Harris,5-0).*

160 Hamilton Creek Trail – Accessory Unit. Connie Ritchie, a new owner with her husband of 160 Hamilton Creek Trail attended the meeting regarding the accessory unit status of the property. The original owner of the property had obtained approval with Summit County Government for an accessory unit at the property. The Ritchie's did not intend to utilize the property as an accessory unit and questioned why the Metro District billed two user rates for the property. The District rate schedule requires a separate quarterly base fee for an accessory unit. The District does not make the determination regarding if a property has an accessory unit. The determination is by Summit County Government. There was a discussion with the homeowner regarding the benefits and disadvantages to removing the designate with Summit County.

Water Operations Report. Matt Willitts of Water Solutions provided the Board with an update of operations. Matt provided a hand out of the disinfection by-product sampling. The January sample was below any action level, but was higher than previous samples taken at the same time of year. The action level enforcement is based on a running average of the last four quarters. There is a concern the action level could be exceeded if future tests during the year are similar or higher than prior years. The water plant monitoring equipment from Hach has received the bi-annual inspection. The particle counter required a board replacement that Matt negotiated to have done at no cost although it was not specifically covered under the maintenance agreement. The written State of Colorado report on the water plant inspection did not require any modification to the bag filtration system at this time. The inspection occurs on a three year cycle and it is believed the State will require an update to the bag filtration process after the next inspection. All known backflow devices in the District had received their annual testing as required by the State. The District arranges the testing, but it is paid for by the owner. Due to the considerable snow pack there is a concern regarding the ability to produce sufficient water during the spring runoff.

Water Treatment Facility. The District has continued to evaluate a new water treatment facility. There was a discussion of the granular activated carbon (GAC) treatment process that

could be part of a new facility or added to the existing facility. The GAC treatment would reduce organics in the water and that would lower the treatment by-products to an acceptable level. Since the last meeting, the concept of upgrading the existing facility to meet the needs of the District for the next five to ten years was being considered. The cost of an upgrade to the existing facility may be substantially less than construction of a new treatment plant. The Board's direction was to continue pursuing the concept of an upgrade to the existing facility. There was a discussion of the connection to Silverthorne for water.

Board of Directors Compensation. The Board had been provided via email notices from the Internal Revenue Service (IRS) regarding compensation to the Board should be treated as employee wages. Bob Polich had attempted to negotiate with the IRS regarding the notice and had consulted with the attorney for the District. The legal opinions from the Special District Association supported the IRS position. While the Board did not agree they should be considered employees of the District, disputing the policy did not appear to be cost effective. The District would treat board compensation as employee wages and file the wage reports for 2009 and 2010 as required by the IRS.

Financial Summary. A financial summary for the two months through February was provided to the Board. The District was slightly better than budget. Snow removal costs had increased less than anticipated from the heavy snowfall.

Accessory billing. There was a lengthy discussion regarding the current rate policy to bill each accessory unit an additional base rate. The accessory base does not include any water usage credit. There was some discussion on the overall rate structure of the District and how to best account for excessive water usage. Additional information will be presented to the Board in the future regarding alternate rate plans. Pending a review of alternatives, no action was taken by the Board regarding accessory unit billing.

Operations. There had been minimal problems with snow removal to date. After a meeting on site with Xcel, their contractor completed minimal cutting and topping of trees under the power lines. There was a discussion of the road crack filing and the general condition of the roads. There did not appear to be any consensus from residents on the color or benefit of painting the water tank to minimize the visual effect. The Board felt the best direction was to replace or cover the chrome strips holding the tank cover on. There was a discussion of the 2011 forest budget, the planned work, and the rates from Alpine Tree Services to pick up the wood from the sides of the road. *A proposal from Alpine Trees Service to treat the road right-of-way along Hamilton Creek and Lakeview Circle this spring was approved by the Board. (Hand/Harris,5-0).* There was a discussion how best to control common area weeds outside of the right-of-ways.

Homeowners Association Merger. A letter had been provided to the Boards of the Association and the Metro District regarding the benefits, concerns, and the cost to merge the Association with the Metro District. The merger would provide better control of covenants and architectural guidelines. The cost of a merger would range from \$10,000 to \$17,000 and there would be no guarantee it would obtain the acceptance required from the ownership and lien holders. The discussion focused on how the concept was good, but there were no current issues justifying the expenditure. *A motion was made to take no further action on a merger. (Harris/Beaprez,5-0).*

Next Meeting. The next meeting would be June 15, 2011 at 3 PM. Future meetings are September 14th and November 16th at the Silverthorne Library.

The meeting was adjourned at 5:35 PM.