

**HAMILTON CREEK METROPOLITAN DISTRICT**  
**BOARD OF DIRECTORS MEETING**  
**Wednesday, September 14, 2011**

Attending Board members:

Tom Hand	Bill Ferris
Chuck Harris	Jacque DeLorimier

Others attending:

Bob Polich	Administrator, Mountain Systems, Inc.
Matt Willitts	Water Operator, Water Solutions
Ruth Carroll	Association President

President Tom Hand called the meeting to order at 1:05 PM.

**Minutes.** *The minutes from the June 15, 2011 meeting were approved as written. (Ferris/DeLorimier,4-0).*

**Water Operations Report.** Matt Willitts of Water Solutions provided the Board with an update of operations. Operations are normal. The maintenance schedule including fire hydrants has been completed. The two main line Pressure Reducing Valves (PRV) would be maintained prior to November. The Hach water quality instruments received the semi-annual servicing and were in good condition. Lead and copper sampling was done in August. The sampling is required by the State every three years. The treatment by-product sample for the current quarter was completed today. The results from last quarter remained under the action level.

**User Rates.** Administrator Bob Polich had provided the Board via email with a proposed change to the user rates in 2012. The proposed rate would not include water within the base amount and would have a usage charge for every 1,000 gallons used. The base rate also includes the pumping of the septic tank on a three-year schedule. There was a lengthy discussion regarding appropriate rates based on owners usage, the cost of water operations, and the pending upgrade of the water treatment facility. The 2012 total operating income for the District would be reduced due to lower property valuations. There was consideration of lowering the base rate coupled with water usage fees, alteration to the accessory unit charges, and the usage rate change points. *A motion was approved for 2012 quarterly rates of a base of \$125 with a usage charge of \$3 per 1,000 gallons for usage up to 25,000 gallons and for a \$10 usage charge per 1,000 gallons over 25,000 gallons of usage.* The Board requested additional analysis of the income to be generated by the increase for the next meeting. The Board would reconsider the 2012 rates at the next meeting.

**Water Treatment Facility.** Bob Polich provided an update on the modification of the existing water plant to convert to a microfiltration treatment system. The cost of the facility would be in a range from \$500,000 to \$800,000 with \$650,000 as the current projected budgeted cost. A plant at the budgeted cost would require \$500,000 in financing paid off in five years. There was a discussion regarding the comparison between bank or bond financing compared to owner financing. A concept was presented to have 20 \$25,000 owner financing shares at 5.5% interest with amortized payments over five years. The notes would have the option to prepay after three

years. The financing would be obtained in July 2012 for construction of the plant during the summer of 2012.

The filtration testing during runoff this year with the existing plant equipment allowed treatment during a very difficult runoff, but indicated the test modifications did not provide the long-term solution that had been hoped for. The microfiltration units approved at the last meeting had been acquired and were in storage in Colorado Springs. If the by product testing remained below the action level, the District would have until the 2013 inspection to have an updated treatment process in place or pending. The current plan would be to convert the treatment system in 2012 if the design and approval process was complete with a deferral to 2013 available if necessary. To maintain water production during construction, the work would have to be done during the summer months following runoff.

The plant design would include using a connection with the Town of Silverthorne for emergency water only. There did not appear to be any incentive to the Town or cost savings to the District to utilize Silverthorne water rather than the current treatment of the District water source.

*The Board approved the continued design of the microfiltration treatment facility within the existing plant with construction in 2012 funded by owner financing. (Ferris/Harris,4-0). There was a discussion regarding how to present the funding options to the ownership. Bob would obtain a legal opinion to confirm owner financing was allowed under current Statutes.*

**Financial Summary.** A financial summary for the six months through June was provided to the Board. Included was a projected 2011 year-end and a proposed 2012 budget including the rate change and the construction of the new treatment facility. User fees were lower than budgeted due to a partial write off of excess water usage fee. *A motion was approved to appoint Bob Polich to prepare the 2012 Budget for the November 16, 2011 meeting. (DeLorimer/Harris,4-0).*

**Water Taps.** The water tap fee was \$6,000 and had not been increased for many years. To continue the concept of having new development contribute to District facilities, a tap fee of \$10,000 was proposed. *A motion was approved to increase the water tap fees to \$10,000. (Ferris/Harris,4-0).*

**Operations.** The terms of Tom Hand and Ann Beauprez were up for election in May 2012. Neither are term limited and were eligible to seek another four year term. The road lining is still planned for this fall. A camouflage tarp will be installed over the water pipes in storage in open space around Lakeview Circle. Use of the water pipes in storage should occur as soon as possible. The forest maintenance work is still being completed in the area above the cabins. The work for 2011 should be under budget. A proposal for \$13,450 has been obtained for 2012 work in the area above and near the water plant. A bid for removal of five dead trees near Hamilton Creek Trail was obtained for \$1,000. Approximately \$1,000 of the forest budget in 2012 would be allocated to pheromone packs. A bid was requested to improve the drainage around a portion of Hamilton Creek Trail. Based on cost effective service over the last two years, the District would continue using Helton Backhoe Services.

**Next Meeting.** The next meeting would be November 16, 2011 at 1 PM.

The meeting was adjourned at 3:21 PM.