

**HAMILTON CREEK METROPOLITAN DISTRICT
BOARD OF DIRECTORS MEETING
Wednesday, September 12, 2012**

Attending Board members:

| | |
|--------------|-------------------|
| Tom Hand | Jacque DeLorimier |
| Ann Beauprez | Chuck Harris |
| Bill Ferris | |

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 13, 2012 meeting were approved as written. (Beauprez/DeLorimier,5-0).*

Water Operations Report. Matt Willitts of Water Solutions provided the Board with an update of operations. The quarterly water sampling resulted in an increase in HHAA 5 and a decrease in TTHM (treatment byproducts). Both remained under the action level. The new water treatment plant is expected to resolved future concerns on exceeding the action level. During the annual maintenance of the Pressure Reducing Valves (PRV) a small break in the 1 ½ inch valve, likely from freezing, was found in the upper PRV vault. The repair will require a short shut down of the water system in the near future. Matt provided a summary of the operation of the two PRVs that reduced pressure for both a 1 ½ inch line for routine water usage and a 4 inch bypass line for fire protection. Freezing has always been a concern in the PRV vaults, but this was the first year a problem occurred. Concrete blankets have been used to provide some protection from the freezing. A temporary water plant is in use during the new water treatment plant construction. A few small water leaks in the temporary plant had to be corrected. There was a discussion regarding a different water taste for a homeowner after the house was not occupied for a while.

Water Plant Construction. The two former treatment facility buildings have been torn down to start the construction of the new facility. A storage unit was rented in Silverthorne to temporarily store items from the water plant during construction. Some of the instrumentation was moved to the temporary plant for use during the construction period. Installation of the temporary underground piping and changes for new permanent piping was the first stage of the work. The intention was to run the temporary plant only during daylight hours during the week, but water demands and system constraints have required it to be run overnight and during weekends. The water production noise has been less than anticipated. The Board requested continued communication with the neighbors regarding the temporary plant operation.

Bob Polich had previously provided an email update of the plant construction status to the Board. Subsequent to the update, an agreement was made with the Schlesinger's at 321 Lakeview Circle for an easement on a portion of their property for the underground backwash tanks. There are four tanks totaling 20,000 gallons of storage to allow sediment settling prior to returning the water to the Creek. The easement became an issue with the permitting from Summit County and was resolved. There were some problems with Xcel and the meter reading system that have been

resolved. Three large trees were moved from the plant site to the 321 Lakeview Circle property to help mitigate the view corridors. Should the trees die, they will be replaced next year. The homeowner is watering the trees to help establish them. The new plant design has been formally accepted by the State of Colorado. There was a discussion regarding the disposal of the sediment from the backflow tanks in the future and the sampling procedures for the backwash.

Snow removal contract. Proposals for snow removal were received from Helton Backhoe Services and Hilco Maintenance Co. Helton has plowed for the prior three years and the hourly rates of the proposals were similar. *A motion was approved to contract with Helton Backhoe Services for the plowing from November 1, 2012 through April 2013. (Ferris/Harris,5-0).* Helton has been responsive to any questions from homeowners regarding snow removal issues. There was a concern expressed regarding the new landscaping at 370 Lakeview Circle and snow removal.

Financial. The financial summary for the eight months ending August 2012 was provided to the Board. The summary included a projected 2012 year end, the proposed 2013 budget, and projected budgets for 2014 through 2015. There was a discussion regarding the irrigation usage and high users in the District. Commitments were received from owners for \$550,000 in financing for the water plant. \$475,000 of the funding has been received. The financial report was reviewed by line item. Income was expected to be as budgeted. There have been some planned savings of \$30,000 in operations including forest maintenance and roads to help cover the cost of the new water treatment plant. The water plant cost has increased from the 2012 budget due to the change of engineer and revisions to the design to obtain State approval. The microfiltration equipment for the new plant will be restored by an employee of the manufacturer, Siemens. Efforts are being made to reduce the total water plant cost by \$25,000. There was a review of the cash flow available to pay for the plant construction. The 2013 budget anticipates the same income, higher costs to operate the new water plant, and increases in road maintenance. Property tax assessed valuations are expected to decline in 2014 and are factored into the future budgets to adequately fund repayment of the owner loans. The Board was provided the Silverthorne rate study reflecting the new higher Hamilton Creek rates were within the range of other entities in Summit County. A future priority for the District will be upgrading the water lines and increasing the number of fire hydrants on Lakeview Circle.

Next Meeting. The next meeting would be November 14, 2012 at 1 PM.

Water Plant Design. There was an overview regarding the new water plant design concept and the use of microfiltration for water treatment. The new plant will utilize the modern treatment technology of microfiltration that in most installations utilizes a sanitary sewer system. The use of the technology where a sanitary sewer system was not available was a design difficulty. Microfiltration produces some waste byproducts that will be cleaned and returned to the Creek.

The meeting was adjourned at 2:42 PM.