

HAMILTON CREEK METROPOLITAN DISTRICT
BOARD OF DIRECTORS MEETING
Wednesday, September 11, 2013

Attending Board members:

Tom Hand	Ann Beauprez
Chuck Harris	Bill Ferris

Others attending:

Bob Polich	Administrator, Mountain Systems, Inc.
Matt Willitts	Water Operator, Water Solutions

President Tom Hand called the meeting to order at 1:00 PM.

Minutes. *The minutes from the June 12, 2013 meeting were approved as written. (Harris/Beauprez,4-0).*

Water Operations Report. Matt Willitts of Water Solutions provided the Board with an update of operations. Matt reported the hydrant maintenance had been completed and the annual valve maintenance was in progress today. The two PRV vaults would be maintained later in the fall. The results from the second quarter disinfection byproducts sample, the first with the water from the new treatment plant, were good. The third quarter samples are being taken this week. The improvements in the sampling results have been substantial and potentially may allow a reduction of monitoring from quarterly to annually in the future.

Water Plant Construction. There was an update on the treatment plant microfiltration units that had not been configured to operate as intended. The contractor who originally provided the equipment had inspected the equipment and prepared a proposal to configure the equipment to the specifications intended. Including updating parts and the inspection, the cost was expected to be approximately \$12,000. There has been a lengthy process to discover the source of leaks from the buried water treatment waste storage tanks. Originally, there was a leak from the line between tanks 1 and 4. This led to the discovery of a leak in tanks 2 and 3. Tanks 2 and 3 were drained, dried and an epoxy caulk applied to suspected problem areas in the tanks. The tanks were filled and leaks of a lesser volume remained. The tanks were drained and dried, and a tank interior coating was applied. After filling of the tanks, a minor loss of water was observed at the level of the boot pipe connection between tanks. The boot was tightened and no leaks observed. Bill Ferris expressed dissatisfaction with the plant construction process including the unkempt appearance of the site, the cracks in the stucco finish, the increase in costs, the lack of oversight of the contractor, lack of updates on the plant to the board, and the delays in the completion of the plant. The microfiltration contractor was scheduled for late in September and the excavation contractor was scheduled for the final grading and temporary pipe removal. A refinish of the stucco was scheduled under warranty. The work was expected to be completed by the end of September.

Financial Report. A financial summary for the eight months ending August 2013 was provided to the Board. The report included a projected year end 2013 and the 2014 proposed budget. Operating costs were approximately \$25,000 lower than budgeted. The treatment plant cost was higher than budgeted by approximately \$85,000 due to higher than hope for engineering cost, the

high cost to run the plant manually until the microfiltration units could be completed to specifications, and the problems with the treatment waste holding tanks. The official County assessed valuation was lower than 2013 by 4% reducing property taxes expected in 2014 by approximately \$12,000. The 2013 deficit from the water plant construction was intended to be recovered by continued operating savings in 2014.

Bob Polich suggested the base quarterly user rate in 2014 be increased from the current \$125 to \$130. The justification of the nominal increase was to cover cost of living changes in operating expenses. A notice of the proposed increase would be included with the third quarter billing for owner comments.

Snow Removal and Road Maintenance. A proposal from Helton Backhoe for snow removal at a minimum cost of \$1,200 per month from November through April with an hourly rate of \$130 was received. Sanding and pickup plowing was at \$85 per hour. The proposal was the same costs as last year. The snow removal work had been done well by Helton for several years and the bidding from other companies in prior years was at the same cost or higher. *A motion was approved to retain Helton for the 2013/2014 snow removal services. (Harris/Farris,4-0).* Proposals for road patching were requested from Double M Asphalt and APeak Asphalt. APeak indicated they were not able to bid any work this year based on their current work load. No more than \$10,000 was budgeted for asphalt patching this year. There have been discussions with Summit County Road and Bridge regarding repairing the large pothole on the County portion of Hamilton Creek Road. The County did not feel the road maintenance on that portion of the road was the responsibility of the County (or Hamilton Creek). The County indicated they would patch the pothole today. There was a comment the culvert under the tank access road was blocked and overflowing from the recent rains.

Other. There was an incident at the water tank with individuals climbing the tank and drinking of alcohol. The individuals were apprehended by the Summit County Sheriff's office. The District did not pursue charges. Notice signs of federal water protection laws will be installed on the water tank and water plant.

Long-term Planning. A ten year financial projection was provided to the Board. The projection included a 5% increase in property tax values in 2016 with 2% increase starting in 2018. The projection includes several long-term projects including water isolation valve replacement, an emergency water connection, water line replacement, and hydrant replacement. The intent was to develop priorities for future funding for necessary infrastructure improvements. The water valves were for better isolation of the system in the event of a water main failure. Recent meetings with asphalt contractors indicated a potential alternative to a road resurfacing would be to allocate funds on an annual basis for replacement of problem road sections. Funding for major improvements was not expected to be available until the loans for the water treatment plant were repaid in five years. The current priority is to correct the valves first, obtain the backup water interconnection second, and the third is the initial water line and hydrant upgrades.

Next Meeting. The next meeting was rescheduled for Monday, November 4, 2013 to obtain a quorum of the board.

The meeting was adjourned at 3:17 PM.