

HAMILTON CREEK METROPOLITAN DISTRICT

BOARD OF DIRECTORS MEETING

Wednesday, June 10, 2015

Attending Board Members:

Tom Hand
Bill Ferris

Chuck Harris
Ann Beauprez

Jacque Delormier

Others Attending:

Tom Oberheide, Administrator
Kelly Baldwin, bookkeeper
Ruth Carroll, HOA
Bill Bonner
Matt Willitts, Water Solutions
Jochen Grauer, Water Solutions

Tim Schultz
Tim Brandt
Tom Keinath

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

Minutes:

The minutes from March 11, 2015 were approved unanimously after minor corrections (Delormier/Beauprez, 5-0).

Financial Report:

Kelly Baldwin and Chuck Harris have been cooperatively and diligently working on the transition from our old (read Mountain Systems) accounting system to Quick Books. Kelly led the discussion on the first issue concerning what reports to be generated for our review and what we needed to see in order to accurately budget our expenses, and fulfill our duties. We gave some directional advice and will proceed, and modify if necessary as time rolls along.

Chuck led the second second part of the discussion about the current state of our finances. It is apparent that there are several area of cost savings (administration, forest and road maintenance, septic pumping and snow removal that are under budget) and also areas of increased expenditures that are anticipated because of the ongoing legal issues regarding Mr. Polich, such as a forensic audit and legal counsel. It is estimated that we may be able to increase the road maintenance and repair budget from the budgeted amount of 40K. Last year we spent 22K on crack filling alone. If we continue crack fill at or below that amount, we might be able significantly add to the budgeted amount and begin to tackle our most urgent road problems. We have several areas of need: but the board has instructed Tom O. to get bids for the correction of drainage and repaving in front of Eva Strasgraba's, and if any funds are left over to repair a few deteriorating pot holes as well. The Red Buffalo excavation to correct pooling and drainage issues before repaving is a neighborhood issue with the owner's of the 6 lots on the cul-de-sac. Dana Covert has been obtaining some bids for correction of the issues.

Legal Update:

Our treasurer Chuck Harris has done a laudable job in tracking the extent of the deception perpetrated by Bob Polich perhaps from the moment he was hired in 1995. Lack of complete records prior to 2000 make tracking additional losses impossible. A copy of Chuck's report to the authorities is included in the minutes. Currently we believe the running total of the fraud has reached over 557K. It remains our primary goal to recover as much of the money as possible.

The legal process seems to move incredibly slowly in Summit County. We took our first steps to insulate our finances just after Thanksgiving 2014 when we heard of other HOA's had been targets of Mr. Polich. Our decision was to remove Bob from his position and "trust, but verify" his assurance that he did not take any money from Hamilton Creek. After the initial discovery of impropriety outlined in Chuck's memo, it took more than a month to obtain further financial records from MS and NP, which unfortunately showed the magnitude of the deceit.

The current state of the investigation is that our report to the deputies in mid to late February has been passed on to the detective and finally as of 6/9/15 on to the DA. The DA has requested "a couple" weeks to review the case and possibly we may hear charges being filed by late June. We will continue to push and hopefully have something positive for the Homeowner's Meeting on June 28, 2015. Polich is scheduled for sentencing on his initial class IV felony conviction on July 1 for fraud perpetrated on the Enclave and Mountain View Plaza in Frisco. There is some talk that he will not be sentenced at that time, but the sentence for his prior felony conviction will be postponed and he will be charged with our case at that time. The DA has commented that we should keep all this info internal at this time, as they do not think Mr. Polich is aware that we have discovered his malfeasance. The DA is looking to be harsh in his treatment of this wide spread criminal activity, and jail time is our bargaining chip to get reimbursement from Polich.

Our priority as stated is to recover as much money as possible. Further consideration of a Civil suit in addition to the Criminal action will be considered in the future. The board is also considering legal action against the auditor. The same auditor that has performed all the annual Hamilton Creek audits from 1998-present while working for two different firms. No decision was made, and we will await the DA's decision on charges and actual confrontation with Mr. Polich as his scheduled sentencing on 7/1/15.

Water Operations:

Jochen Grauer gave the report for Water Solutions and it is included. The plant is functioning well during the run off, but we are having a problem with the Disinfection Outreach Verification Effort which appears to be coming from the EPA now requiring Colorado to enforce some monitoring they had been ignoring. The result is that we are having to increase the chlorine levels, and may begin to taste some in our water. Further discussion between Water Solutions and "the State" will be undertaken to make sure we are in compliance and our water continues to be safe and tasty.

It appears the interconnection between Angler's Mountain and HC is going nowhere fast. "A fantasy" is how Bill Linfield from the county put it. There was no agreement between the county and Polich. There was some talk of the fire chief

wanting a connection, but with the old chief, Dave Parmalee, retiring soon, and a new chief coming in we will again be placed in a waiting position. There is also talk of some FEMA monies or grant money from the Denver Water Board that our administrator Tom Oberheide will continue to follow up on. This will be an issue for the future, and priorities will dictate it's importance to HC homeowners, fire vs roads?

There are two ongoing septic system problems that are in various states of resolution. The problem seems to be that there is a "requirement" from somebody that your leach field needs to be totally within property setbacks, and cannot extend into "common space" that is owned by the HOA. Stay tuned.

Administrator's Report:

Tom Oberheide gave the administrator's report and his detailed complete report is included. Many of the topics have been previously addressed, but forest maintenance is one that will generate some HOA member response and needs education efforts on the part of the HOA and Metro Board members. In order to save some cash to put toward roads we have decided to have Alpine Tree Services (Jake and Casey) perform only limited chipping and hauling of trees too large in diameter for the county pick-up (>9 in.). We have chosen to use the county chipping program that has HC scheduled for the weeks of August 3 and September 21. This of course means that the piles will be around ALL summer. Ruth Carroll, HOA President, may have some strings to pull to get this done earlier hopefully. Hugo Rutherford and Bill Ferris will have a "demonstration pile" at the Crescent Moon meeting site for Clean Up Day. We encourage everyone to embrace this decision and make the stacks well off the shoulder of the roads for safety.

Weed spraying will be internalized and taken care of by volunteers. This will save the District some funds for roads. Hugo Rutherford and Bob Bruno will be in charge.

The question of insurance coverage has been raised with the active community we live in being so involved with trails, trees, weeds etc. We have received quotes for limited two day coverage for Clean Up Day, but there seems to be another catch. Best advice is to be safe out there, if you are injured on common space you cannot sue yourself. No action was taken

Pinhole leaks continue to be a problem without an answer. Two more neighbors have developed problems. Details are somewhat similar to other cases, with cold water lines, and remain the liability of the homeowner to correct.

Next Meetings:

The next meeting will be Wednesday, September 9, 2015 back at the Silverthorne Library and November meeting will be at Matt's Office in Dillon Valley.

The meeting was adjourned by executive order of our president Tom Hand at 5:15 PM.

Respectfully Submitted,

Bill Ferris, Secretary