GREATROCK NORTH
WATER & SANITATION DISTRICT

Date: January 28, 2013

To: Greatrock North Water and Sanitation District, Board of Directors

From: Lisa A. Johnson, District Manager

Re: February 5, 2013 Manager's Report

Agenda Action Items

II. Consent Agenda

1. January 3, 2013 regular meeting minutes.
2. January 15, 2013 claims.
3. Approval of termination letter with Olsson Associates for Energy Audit.
4. Ratify approval of an agreement with Olsson Associates to conduct topographic survey of the location for the 3rd Evaporation Pond.

I recommend approval of the consent agenda items.

III. Financial Matters

A. Acceptance of the December 31, 2012 unaudited financial statements – I will present the financial statements through the 4th quarter of 2012 to the Board and answer any related questions.

I recommend acceptance of the December 31, 2012 financial statements.

B. Request from property owner at 30465 E. 166th Ave. – Staff received a letter from the property owner at 30465 E. 166th Ave. requesting a waiver of all late fees that have been assessed to his account due to tenant eviction and associated costs. I will present a customer history to the Board at the meeting.

I recommend waiving one late fee to stay consistent with the District policy related to this type of request.

Updates on Other District Related Items

Potential Land Acquisition for 3rd Evaporation Pond – Staff attended a meeting with Adams County and the Solid Waste Division in January. See Engineer's report for topics discussed. Both organizations were not opposed to locating a 3rd pond just north of the existing ponds. Olsson Associates provided a proposal to conduct a topographical survey of the site in the amount of $1,900 which I approved and directed engineering staff to complete the survey as soon as possible.

I also met briefly with Dave Rye and informed him of the District's desire to acquire an easement for property north of the existing pond to HWY 2. Mr. Rye asked that we map out the easement area request and transmit that information to him. He will then communicate the information to his partner and I can schedule a meeting to discuss the specifics. Staff is meeting on January 28, 2013 to identify the area related to the easement request.

Kremer Property – An invoice was prepared and transmitted to the property owner for the fees charged in excess of the initial $2,500 deposit related to the possible inclusion of the property into the boundaries of the District in December. No payment has been received. A past due invoice was generated and mailed to the property owner on January 28, 2013.

Status of United Power Account Changes related to Energy Audit – Mr. Simons met with United Power and requested account changes. United Power will impose a rate change effective March 1, 2013. The new rates will be as follows:

$30.00/month service charge
Off Peak usage fee = 0.049/KWH
On Peak usage fee = .0159/KWH – 2 pm to 9 pm

United Power commented that their supplier's on-peak hours will be 7 am to 11 pm beginning in March, however, United Power will honor the rates as outlined above for 2013.

The District should anticipate an annual increase to off-peak usage charges as follows:

2012 = $0.04/KWH
2013 = $0.05/KWH
2014 = $0.06/KWH

United Power account changes will go into effect no later than the February billing.

Update on SCADA Computer and Software – TLECC reported that the computer and printer are available and ready for installation. They are waiting for the software. Once it is received, they will schedule installation and training.

Update on Request from Box Elder Creek Properties, LLC Regarding Inclusion of District Water Rights in their Water Sourcing Operation at Box Elder Farm – Attorney Poznanovic drafted and transmitted the attached letter to Mr. Ketellapper. Mr. Ketellapper commented that he is confident that he will be able to work with the District on the points outlined in the letter. He also commented that he received positive feedback from the Town of Castle Rock to explore a water resources joint venture. He will continue to keep the District in the loop as this possibility moves forward.

Summary of Discussions from mid-month meeting with Directors Fleck and Wyckoff – Mr. Simons and I met with Directors Fleck and Wyckoff on January 18, 2013. Discussions centered on the information presented in this report related to the United Power rate changes, the initial positive response received from the County and the State regarding the location of a 3rd Evaporation Pond and next steps, and the letter to and response from Mr. Ketellapper related to his request to include District water rights in their Water Sourcing Operation at Box Elder Farm.

Box Elder Creek Ranch Facility Painting – SDMS staff will solicit three proposals to paint the water treatment facilities at Box Elder Creek Ranch and will present the proposals at a future meeting.

Inspection of all Facilities – I recently met with Director Wyckoff and conducted an inspection of the facilities in Greatrock North, Rocking Horse Farms and Box Elder Creek Ranch. Issues identified at that inspection (in black) and responses (in red) from Operations Staff are outlined below:

Box Elder Creek Ranch Facility

-water on the floor under the pumps, etc. – Operation staff had an issue with the air reliefs leaking – repaired on 1/24/2013.
-status of map file completion – Operations staff will lay out the maps for a few weeks to allow them to flatten out, then they will be filed and labeled.
-transformer between buildings – very noisy – noise appears normal. Checked for oil leaks and found nothing. Will continue to monitor.

Rocking Horse Farms Facility

-water meters on shelves, usable or no? – meters are not usable. Operations staff will remove.
-plastic on windows, do we need similar cover as BECR?- Yes, Operations staff feels that a similar cover would be beneficial.
-electrical conduit to the well behind the tank is broken – Operations staff will ask their mechanic to repair the conduit at the two well heads.
-One dead tree and one failing tree at site – recommend replacement.

Greatrock North Facility

-siding on the pump house – Dan LaCoe will repair the siding in the next week or two.
- plastic on windows, do we need similar cover as BECR?- Yes, Operations staff feels that a similar cover would be beneficial.

Trash removal at all facilities.

2012 Calendar Year Pumping

	Gallons	Acre-feet
ALV-1	23,279,653	71.4
ALV-2	19,543,926	60.0
Total ALV	42,823,579	131.4
UKA-1	10,576,220	32.5
UKA-2	9	0.0
UKA-3	1,983,610	6.1
Total UKA	12,559,839	38.5
LFH-1	2,838,153	8.7
LFH-2	13,138,478	40.3
LFH-3	23,207,561	71.2
Total LFH	39,184,192	120.3
LKA-1	0	0.0
LKA-2	0	0.0
LKA-3	0	0.0
Total LKA	0	0.0

Total Water Production from December 5, 2012 through January 5, 2013 =
Total Usage billed from December 5, 2012 through January 5, 2013 =

I received notification from Mr. Rabas that the SCADA reporting module is not functioning properly. He has notified TLECC. The module should be repaired prior to the Board meeting and I will provide production and billing information at that time.

Petrock & Fendel, P.C.

Attorneys

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January 10, 2013

VIA EMAIL ONLY

Mr. Walraven Ketellapper
Managing Member
Boxelder Creek Properties LLC
1012 13th Street
Golden, CO 80401
walraven@stillwaterresources.com

RE: November 29, 2012 Augmentation Water Inquiry

Dear Walraven:

Thank you for your November 29, 2012 proposal. This letter is written on behalf of Greatrock North Water and Sanitation District ("District") in response to your proposal to include some of the District's water supplies as a potential augmentation source in your water court application.

Conceptually, the District is willing to include its water supplies, including Denver Basin water rights, return flows and other available reusable water supplies, as a potential source of augmentation in your water court application to the extent they are legally available. Before formally committing to include its water supplies, the District would like to confirm Boxelder Creek Properties is willing to agree to the following:

The District has not yet had an opportunity to review the water court application for this project, and would like to do so before formally deciding whether its water supplies should be included in the water court application. Before the water court application is filed, the District would like two business days to review the application and make a final determination whether to include its water supplies as a potential source of augmentation.

The District's water supplies can be used by Boxelder Creek Properties only after an agreement is executed between the parties establishing the terms and conditions for the use.

The District's water supplies can be included in an application for substitute water supply plan after the parties enter into an agreement regarding use of the District's water supplies.

The District may file a statement of opposition to Boxelder Creek Properties' water court application. The District is optimistic that its participation in the water case could be limited to monitoring developments in the case.

The District looks forward to continuing its discussion with you about this project. Please feel free to contact me with any questions or comments about this proposal.

Sincerely,

Matthew S. Poznanovic

cc: Lisa Johnson
Jennifer Gruber Tanaka, Esq.
Chris Sanchez