RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT HELD JANUARY 7, 2014

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Greatrock North Water and Sanitation District (referred to hereafter as "District") was convened on Tuesday, January 7, 2014 at 5:30 P.M., at United Power, 500 Cooperative Way, Brighton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Terry Krayenhagen
Robert William Fleck
Jeffrey Polliard
Brian K. Rogers
John D. Wyckoff

Also In Attendance Were:
Lisa A. Johnson; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C.

Brad Simons, P.E.; TST Inc. of Denver

Chris Sanchez; Bishop-Brogden Associates, Inc.

Jeff Rabas; Ramey Environmental Compliance, Inc.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Tanaka advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Krayenhagen, Fleck, Rogers, Polliard and Wyckoff each confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Polliard and, upon vote, unanimously carried, the Agenda was approved, as amended.

Board of Directors' Report: The Directors did not have a report for this meeting.

Manager's Report: Ms. Johnson presented and the Board reviewed the January Manager's Report. A copy of the report is attached hereto, and incorporated herein, by this reference.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve Minutes from the November 5, 2013 and the December 3, 2013 regular meetings.

- Ratify approval of payment of claims through the period ending December 13, 2013, as follows:

General Fund	$ 49,268.13
Debt Service Fund	$ 148,078.75
Capital Projects Fund	$ -0-
Total Claims:	**$ 197,346.88**

- Consider acceptance of cash position schedule and unaudited financial statements through the period ending November 30, 2013.

- Ratify approval of the termination of the independent contractor agreements between the District and:

  - Olsson Associates, Inc. for System Development Fee Analysis
  - Applied Ingenuity, LLC for Box Elder LFH Pump Installation
  - Liquid Waste Management, Inc. for Reverse Osmosis Concentrate Hauling
  - Premier Industries for GRN and RHF Tank Sites Irrigation Maintenance
  - Rogers & Sons, Inc. for Installation of Air Vent Covers at GRN and RHF
  - Timber Line Electric & Control Corporation for Alluvial Wells RTU Upgrades
  - Timber Line Electric & Control Corporation for Computer Installation, Programming and Training
  - Water Technology Group for GRN Pump #2 VFD Installation

- Water Technology Group for RHF Vertical Multistage Pump Installation

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Polliard and, upon vote, unanimously carried, the Board approved the consent agenda items.

WATER MATTERS

Water Court Application Case No. 13CW3108: Mr. Sanchez has reviewed the resume for the application filed in Water Case No. 13CW3108 and he recommends that the District pursue whatever action is necessary to file a statement of opposition to this case. Mr. Sanchez discussed with the Board the reasons behind his recommendation.

Engagement Letter with White and Jankowski for Legal Services Regarding Water Case No. 13CW3108: Ms. Johnson explained that Attorney Poznanovic has informed her of a conflict that his firm has with this water court case, and, therefore, he is unable to represent the District in a statement of opposition. The Board reviewed the Engagement Letter between the District and White and Jankowski for legal services regarding Water Case No. 13CW3108.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Polliard and, upon vote, unanimously carried, the Board approved the Engagement Letter between the District and White and Jankowski for legal services regarding Water Case No. 13CW3108.

Mr. Sanchez left the meeting at this time.

ENGINEER'S REPORT

Engineer's Report: Mr. Simons presented the Engineer's Report to the Board. A copy of the report is attached hereto and is incorporated herein by this reference.

Evaporation Ponds:

Reclassification of Box Elder Creek: Mr. Simons presented his report to the Board. He has reviewed the files at the Colorado Department of Public Health and Environment ("CDPHE") regarding the looping project and has been unable to locate any files related to the approval of the looping project. He has reached out to the Water Quality Control Division to ask if they have any files on the review of the project and what mechanism they used to eliminate three systems and consolidate into one system.

OPERATIONS AND MAINTENANCE MATTERS

Operations and Maintenance Update and Completed Work Order List: The Board reviewed the operations and maintenance update and the completed work order list. A copy of the report is attached hereto and incorporated herein by this reference.

Monthly Flow Report: The Board reviewed the monthly flow report covering November 6, 2013 through December 5, 2013.

Water Quality Issues in Box Elder Creek Ranch and Rocking Horse Farms: The Board reviewed the monthly water quality report.

Hydrant Maintenance: Mr. Simons discussed with the Board hydrant maintenance to 6 fire hydrants as recommended by operations staff. He has not yet inspected the hydrants in question to determine if re-grading is a possibility. He will inspect prior to the next Board meeting.

Report on Exercising Curb Stops in Rockinghorse Farms ("RHF"): Mr. Rabas presented the report on exercising curb stops in Rockinghorse Farms. The Board discussed the report. The Board discussed the options to locating of curbs stops in RHF that were unable to be located and asked Mr. Rabas to request a proposal from the locating company to use more sophisticated equipment to locate the curb stops that they were unable to find with a metal detector. The Board also asked Mr. Rabas to provide a proposal to inspect the curb stops in Box Elder Creek Ranch and Greatrock North. In addition, the Board asked Mr. Rabas to solicit a proposal to re-locate the water meters that currently reside in the basements of the homes in RHF to a meter pit as part of the repair and exercising of the curb stops that require attention.

LEGAL MATTERS

Independent Contractor Agreement (Box Elder Creek Ranch Vertical Multistage Pumps Installation) between the District and Water Technology Group: Mr. Simons reviewed with the Board an Independent Contractor Agreement (Box Elder Creek Ranch Vertical Multistage Pumps Installation) between the District and Water Technology Group.

Following discussion, upon motion duly made by Director Rogers, seconded by Director Wyckoff and, upon vote, unanimously carried, the Board approved the Independent Contractor Agreement (Box Elder Creek Ranch Vertical Multistage Pumps Installation) between the District and Water Technology Group.

OTHER BUSINESS

2014 Goals: President Krayenhagen previously asked each Board member to come prepared to discuss their ideas and goals that they would like to achieve in 2014. The following is a list of each director's input.

Director Wyckoff:

- Water treatment solution
- Purchasing renewable water shares on a regular schedule
- Make our entire operation more efficient and less reactionary
- Efficient cost savings that are realistic and not just cutting costs
- New facility at Box Elder that would include office space, meeting space, etc.

Director Polliard:

- Resolve the concentrate issue
- Continue with efficiency improvements
- Purchasing renewable water shares

Director Rogers:

- Resolve concentrate issues
- Understand and then potentially purchase renewable water shares

Director Fleck:

- Resolve concentrate issues
- Purchase water shares
- Preventative maintenance and funding for replacements

President Krayenhagen:

- Resolve concentrate issues
- Purchase water shares
- Landscaping at Rockinghorse Farms and Greatrock North - keep the weeds down
- Upgrade equipment and improve efficiency
- Locate all curb stops in all three subdivisions

COMMUNITY COMMENTS

Community Comments: There were no community comments.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL JANUARY 7, 2014 MINUTES OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Terry Krayenhagen

Robert William Fleck

Jeffrey L. Polliard

Brian K. Rogers

John D. Wyckoff

GREATROCK NORTH
WATER & SANITATION DISTRICT

Date: December 18, 2013

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

From: Lisa A. Johnson, District Manager

Re: January 7, 2014 Manager's Report

Agenda Action Items

II.A. Consent Agenda

1. November 5, 2013 and December 3, 2013 minutes.
2. December 2013 payables.
3. November 30, 2013 financial statements
4. Ratify approval of the termination of the independent contractor agreements between the District and (enclosures):

    - Olsson Associates, Inc. for System Development Fee Analysis
    - Applied Ingenuity, LLC for Box Elder LFH Pump Installation
    - Liquid Waste Management, Inc. for Reverse Osmosis Concentrate Hauling
    - Applied Ingenuity, LLC for UKA-1 Well Repairs and Equipment
    - Rogers & Sons, Inc. for Installation of Air Vent Covers at GRN and RHF
    - Timber Line Electric & Control Corporation for Alluvial Wells RTU Upgrades
    - Timber Line Electric & Control Corporation for Computer Installation, Programming and Training
    - Water Technology Group for GRN Pump #2 VFD Installation
    - Water Technology Group for RHF Vertical Multistage Pump Installation

I recommend approval of the consent agenda items.

VI.A. Approval of Independent Contractor (Box Elder Creek Ranch Vertical Multistage Pumps Installation) with Water Technology Group

This work was approved in the 2014 budget and will upgrade the current pumps in the Box Elder Creek Ranch Facility.

I recommend approval of the Independent Contractor Agreement.

Update on District Website

The District website went live in early December and residents are now able to visit the site at their convenience.

TST
CONSULTING ENGINEERS

GREATROCK NORTH WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
December 17, 2013

Evaporation Ponds – Reclassification of Box Elder Creek

I have initiated a draft of a letter to the Water Quality Control Division regarding the District's interest in reclassifying Box Elder Creek. The emphasis of the letter is that the District has expended considerable resources in the development of its public water system infrastructure, but is now unable to utilize that infrastructure as intended to provide the quality of potable water it desires. I am pursuing the original design review files associated with the looping project from the Division as I need to understand the statements made by the design engineer regarding concentrate management. I have located what is believed to be the project files at the Division – "2007 Greatrock North WSD RO Conversion Project Design Submittal" – and am awaiting its retrieval from off-site storage.

Other Activities

Blending to Improve Water Quality: On November 11, TLECC modified the control code to allow the RO run time to be operator defined. The timer now ranges from 0 to 1,440 minutes (24 hours) and is currently set at 240 minutes (4 hours) – up from the 30 minutes previously established. I would like Ramey Environmental Compliance to sample for total dissolved solids at each tank site in January to determine the impact of this change in operation.

Generator Alarm Relays: TLECC has provided a quote (attached) to do the work requested for the emergency generators at each pump station site. TLECC has offered to perform the work on a time and materials basis. In response to a request for more detail on the work to be performed at each site, Mike Rushing provided the attached response. In addition to TLECC's services, estimated at $10,200, Cummins Rocky Mountain has proposed a total cost of $1,700 to furnish and install alarm output relays for the Greatrock North and Box Elder Creek Ranch generator sites.

Box Elder Creek Ranch Pump Station Modifications: This project is anticipated for January of 2014 and is being coordinate with the Water Technology Group.

Fire Hydrants in Box Elder Creek Ranch Subdivision: I have not been to the District since the December Board meeting, but will coordinate a visit to observe the grading in the area of the hydrants as recommended by Director Fleck.

2013 Electrical Usage: Upon receipt of the final utility bills for 2013, I recommend a brief analysis be performed regarding electrical usage and costs incurred for each of the four metered accounts.

TLECC
Timber Line Electric & Control Corporation

P.O. Box 793
Morrison CO 80465-0793
303-697-0440
Fax: 303-697-0450
MikeR@tlecc.net

Greatrock North
Jeff Rabas
Jeff Rabas (jeffr@RECinc.net)
SUB: Generator wiring and SCADA work

Date 11/25/13

15212

Dear Jeff,

We are pleased to provide this quotation for your review. If an order should result from this quotation, please send us a written purchase order referencing the quotation number and item numbers. If this is your first order with us, please supply us with your credit references and your Dun and Bradstreet number. Please note:

1. All quotations issued, and orders received by **TLECC** are subject to final acceptance by our principal.
2. Shipping dates are based on the best information obtainable from suppliers **AT THE TIME OF QUOTATION**.
3. Quote is valid for 30 days from quote date.

Again, thank you for your inquiry. If we can be of further assistance, please do not hesitate to contact our office.

Sincerely,

Michael Rushing

Scope of work:

Supply, installation and ring out of Generator Alarms from (3) sites Greatrock North, Boxelder and Rockinghorse Farms.

Item #	Description	Quantity	Price
1	Installation of conduit and wire from Generator to RTU panel. Termination of wiring at RTU, programming of 4 alarm/status points per site as available from Generator per pre-configured relay outputs from Generator supplier, and tested back to the SCADA System on site.	3 sites	$ 10,200.00
	Estimated 2 days of SCADA system work here at the shop and at the site. 5 days of Installation Labor for three sites, as well as updated AutoCAD drawings.		
Total			**$ 10,200.00**

Timber Line Electric and Control Corp. Terms and Conditions of Sale

This quote is valid for 30 days, and is subject to change after that time frame. All quotations issued, and orders received by TLECC are subject to final acceptance by our principal or authorized representative.

Part numbers and shipping dates are based on the best information available at the time of quote and may change. Part numbers change frequently for items such as computers.

Shipping terms: Shipment times are based upon receipt of a written purchase order or contract and signed approval drawings. Unless otherwise noted, all materials are quoted Free On Board point of origin. TLECC's responsibility for loss ceases upon delivery to the carrier. Claims for loss or damage in transit must be made by Buyer against the carrier. If TLECC is delivering to job site, field off loading has not been included in pricing. Additional charges may be assessed for offloading. Buyer, general contractor, or owner shall be responsible for proper storage and handling following shipment.

TLECC's standard terms are Net 30 days with 1% per month late payment charges. These terms apply to materials and service work. Contract job terms are Net 30 days on a work-in-process basis. TLECC reserves the right to change these terms at any time, and has the right to modify the terms for individual customers. All sales are subject to acceptable credit rating of buyer. Any alteration to the terms stated on a TLECC quote will be considered a counter offer and is subject to acceptance in writing by a TLECC authorized representative. Unless clearly stated otherwise, no retainages will be allowed, or payment withheld pending third party payment. In the event of nonpayment, buyer will be subject to finance charges, collection costs and attorney's fees.

Sales, use and excise tax may be required by law. If buyer is tax exempt, buyer shall provide adequate documentation to TLECC. **If buyer is NOT tax exempt, Buyer is responsible for sales and use tax which will be charged on the materials of the job. Please request a sales tax estimate based on the correct sales tax district!**

Any order cancelled after 3 days of acceptance by TLECC may be subject to the cost of special materials, non-resellable goods and completed labor. In any event, TLECC reserves the right to charge the buyer for any and all expenses or labor incurred in connection with a purchase order. TLECC does not offer refunds on customized equipment.

In the event TLECC is unable to ship or deliver parts or perform services pursuant to any purchase order or other contract entered or accepted by TLECC due to a "Fource Majeure" such as an act of God, strike, lockout or other industrial disturbance, act of public enemy, war, blockade, public riot, lightning, fire, flood, explosion, failure to timely receive necessary government approvals, government restraint or any other cause, which is not reasonably within the control of TLECC, TLECC's obligations under the purchase order or other contract shall be suspended during such Force Majeure. If the Force Majeure cannot be promptly removed in TLECC's sole opinion, at TLECC's sole option, the purchase order or other contract may be terminated without further obligation or liability on the part of either party.

TLECC honors a 1 year warranty on new equipment. This includes repair or replacement of said equipment at TLECC's discretion. The equipment warrantee does not include the travel or labor to troubleshoot equipment. TLECC may include the labor at TLECC's discretion. TLECC will honor a 90 day warrantee on all installation labor. Except for those expressly provided for herein, no other warrantee express or implied applies. TLECC is not liable for lightning damage, vandalism, or acts of God. Warrantee will be void on equipment which has been serviced by persons other than TLECC employees.

Limitations of liability: TLECC is not responsible for any modification or repairs to TLECC products made by persons other than TLECC personal. Timber Line is not liable for any and all consequential and incidental damages arising out of, or in connection with any purchase order or contract for equipment or services. This includes but is not limited to installation, service, or product's failure to perform, in connection with purchase order, contract, or verbal request for service.

/O=TSTD/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=

From: Mike Rushing <MikeR@tlecc.net>
Sent: Monday, December 16, 2013 2:11 PM
To: Brad Simons
Subject: RE: Greatrock Generators

Brad,

The estimate is based on conduit and wire from the entry point of the control conduits that exist to the RTU at each site. We will terminate at the generator and at the RTU for up to 4 new discrete inputs to the system from each site. You will need to identify through Cummins what the contact outputs are for the two BECR and GN generators for us to program. The RHF diagram only shows 1 general alarm contact but we may be able to get other alarms there. Is there any Transfer Switch contacts for switch position? That would be good to have for alarming. Generally the alarms would be added to the alarm list for callout and then added to the SCADA screens for viewing.

Regards,

Michael L. Rushing
Timber Line Electric and Control Corp.
17591 Hwy. 8, PO Box 793
Morrison, CO 80465
303-697-0440 Office
303-697-0450 FAX
303-907-8695 Cell
miker@tlecc.net

From: Brad Simons [mailto:BSimons@tstdenver.com]
Sent: Monday, December 16, 2013 10:14 AM
To: Mike Rushing
Subject: RE: Greatrock Generators

Mike:

Can you provide a little more detail on the work to be performed at each site based upon Scottie's visit? The Board has asked for this additional information.

Brad

From: Mike Rushing [mailto:MikeR@tlecc.net]
Sent: Monday, November 25, 2013 4:08 PM
To: Brad Simons
Subject: Greatrock Generators

Brad,

Here is a quote to do the work requested for the generators. We can work this as a T&M job if that is something you might want.

Regards,

Michael L. Rushing
Timber Line Electric and Control Corp.
17591 Hwy. 8, PO Box 793
Morrison, CO 80465
303-697-0440 Office
303-697-0450 FAX
303-907-8695 Cell
miker@tlecc.net

Ramey Environmental Compliance, Inc.
Management and Operation Solutions for
Water and Wastewater Treatment
303-833-5505

PO Box 99, Firestone, Colorado 80520
email: contact.us@RECinc.net
www.RECinc.net

Greatrock North W & S District
Monthly Activities
November 22nd – December 18th

11/22/13: Regular checks and readings. Exercised all valves on the suction and discharge headers at Boxelder.

11/25/13: Regular checks and readings.

11/27/13: Regular checks and readings.

11/29/13: Regular checks and readings.

12/2/13: Regular checks and readings. Replaced leaking copper tube at Greatrock North.

12/4/13: Regular checks and readings.

12/6/13: Regular checks and readings.

12/9/13: Regular checks and readings. The alluvial wells did not run over the weekend due to the sub zero temps. The tank level was down to 14.92 feet. RO low pressure alarm "no call". Reset all alarms and system started working.

12/11/13: Regular checks and readings.

12/13/13: Regular checks and readings.

12/16/13: Regular checks and readings. Collected and delivered monthly samples.

12/18/13: Regular checks and readings.

Pond levels are below depth markers.

November 22nd - December 18th

RO Run Time Hrs	88 hrs.
RO Concentrate Flow – 2 ponds	158,400 gallons

Completed Work Order

; Facility Name: Greatrock North WSD

Print Date: 12/18/2013

Work Order Numbe	Equipment	Task	Department	Task Instructions	Date Completed
159.01	RHF Fire Hydrants	FH Flush Fire Hydrant I	Greatrock North WSD	Flush Hydrants, note a	12/9/2013
212.01	BOX BP3 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm	12/9/2013
221.01	BOX BP3 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm	12/9/2013
211.01	BOX BP2 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm Remove and blow out \	12/9/2013
220.01	BOX BP2 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm Remove and blow out \	12/9/2013
210.01	BOX BP1 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm Remove and blow out \	12/9/2013
219.01	BOX BP1 VFD	Clean Eqp Clean Equip	Greatrock North WSD	Clean equipment perm Remove and blow out \	12/9/2013