RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT HELD MAY 5, 2015

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, May 5, 2015 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:
Robert W. Fleck
John D. Wyckoff
Brian K. Rogers
Jeffrey Polliard
Dave Lozano

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

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

Brad Simons, TZA Water Engineers

Matthew S. Poznanovic; Petrock & Fendel, P.C.

Christopher J. Sanchez; Bishop-Brogden Associates, Inc.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Ms. Johnson advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. Attorney Tanaka confirmed that disclosures of conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting for those Directors with potential conflicts of interest. The Board reviewed the Agenda for the meeting, following which, Directors Lozano, Polliard, Fleck, Rogers and Wyckoff each confirmed that they had no additional 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 Polliard, seconded by Director Fleck and, upon vote, unanimously carried, the Agenda was approved, as presented.

Board of Directors' Report: Director Fleck summarized the discussion had at the mid-month meeting of Directors Fleck and Wyckoff, Mr. Simons and Ms. Johnson regarding the use of SolarBee and noted that the depth of the pond will not be conducive for the use of this system.

Director Wyckoff updated the Board on the additional landscape maintenance efforts and noted that the landscaping is complete.

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

Ms. Johnson updated the report by informing the Board that the 2nd quarter facility inspection was conducted by staff and Directors Wyckoff and Lozano prior to the Board meeting.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve Minutes of the April 7, 2015 regular meeting.
- Review operations and maintenance update and monthly work orders.
- Review monthly water quality report.

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.

FINANCIAL MATTERS

March 31, 2015 Unaudited Financial Statements: Ms. Johnson presented and the Board reviewed the March 31, 2015 unaudited financial statements and schedule of cash position.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Lozano and, upon vote, unanimously carried, the Board accepted the cash position schedule and unaudited financial statements through the period ending March 31, 2015.

WATER MATTERS

EXECUTIVE SESSION: Pursuant to Sections 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Wyckoff, seconded by Director Rogers and, upon an affirmative vote of at least two-thirds of the quorum present, the Board convened in executive session at 5:35 p.m. for the purpose of discussing negotiations with third parties and receiving legal advice, as authorized by Sections 24-6-402(4)(b) and (e), C.R.S.

Pursuant to Section 24-6-402(2)(d.5) (II)(B), C.R.S., no record will be kept of the remaining portion of the executive session that, in the opinion of the Board's attorney, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

The Board reconvened in regular session at 7:27 p.m.

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.

Concentrate Management: Mr. Simons updated the Board on the current status of the ponds. The south pond is 7-8 inches from reaching its boundaries. Mr. Simons recommends opening the valves to equalize the ponds or closing the valve to the south pond and filling the north pond for a period of time to lower the south pond level. A third option was also discussed which would be to no longer use the reverse osmosis system to allow the south pond to evaporate and to permit maintenance to occur.

The Board directed staff to close the valves on the south pond and feed the north pond for 30 days and then re-evaluate the status of the ponds at the June meeting.

Pure Water Solutions, Inc. Proposal for Inspection of Reverse Osmosis Unit and Components: Mr. Simons reported that the Independent Contractor Agreement has been fully executed and that he will schedule the work.

Gridbee Aerator Rental: Mr. Simons addressed the Board. Upon further investigation he recommends not proceeding with the rental of two Gridbee aerators to aid in evaporation. The Board agreed with Mr. Simon's recommendation.

Proposal to Aid in Locating Viable User of Concentrate Water: Mr. Simons is working with a consultant to locate a viable long-term user of the concentrate water.

Greatrock North Pump Station Project: Mr. Simons plans to publish the solicitation for bids in May and present the proposals to the Board at the June meeting.

OPERATONS/ MAINTENANCE MATTERS

Proposal to Locate Remaining Curb Stops: Ms. Johnson presented a proposal from Diversified Underground, Inc. to locate the 11 remaining curb stops in Rocking Horse Farms and Box Elder Creek Ranch. The Board inquired into whether Diversified Underground has the capabilities to provide the locate services needed. The Board requested that Mr. Rabas follow up with Diversified Underground to confirm this, otherwise solicit proposals from other locate contractors

Following discussion, upon motion duly made by Director Rogers, seconded by Director Polliard and, upon vote, unanimously carried, the Board approved an agreement with a locating services company to perform the work needed.

In addition, Mr. Rabas will prepare a list of curb stops that the District has been unable to exercise. He will then determine which curb stops can be serviced by Redman Potholing and solicit a proposal for the work, and which curb stops can be serviced by Dan's Custom Construction and solicit a proposal for the work. Ms. Johnson will present the proposals at the mid-month meeting and the Board authorized Directors Wyckoff and Fleck to make a decision on how to proceed at that time.

Status of Proposals to Replace/Repair Radiator on Generator at the Rocking Horse Farms Facility: Mr. Rabas has been unsuccessful in obtaining additional proposals to replace the radiator on the generator at the Rocking Horse Farms Facility. He has contacted Rocky Mountain Power Generation to ask if the radiator can be repaired rather than replaced.

LEGAL MATTERS

Legal Matters: There were no legal matters to present.

OTHER BUSINESS

Other Business: There was no other business.

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

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL MAY 5, 2015 MINUTES OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Robert William Fleck

Jeffrey L. Polliard

Brian K. Rogers

John D. Wyckoff

Dave Lozano

Attorney Statement
Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Greatrock North Water and Sanitation District, I attended the executive session on May 5, 2015, for the sole purpose of discussing matters subject to negotiation with third parties and for receiving legal advice, as authorized by §§24-6-402(4)(b) and (e), C.R.S. I further attest that it is my opinion that a portion of the executive session discussion constituted attorney-client privileged communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required by be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

Jennifer Gruber Tanaka, Esq.
General Counsel
Greatrock North Water and Sanitation District

GREATROCK NORTH
WATER & SANITATION DISTRICT

Date: April 28, 2015

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

From: Lisa A. Johnson, District Manager

Re: May 5, 2015 Manager's Report

Agenda Action Items

II.A. Consent Agenda

1. April 7, 2015 regular meeting minutes
2. Operations and Maintenance Update and monthly work orders
3. Water quality Report

I recommend approval of the consent agenda items.

III.A. March 31, 2015 Financial Statements

I will present the first quarter financial statements at the meeting.

I recommend acceptance of the March 31, 2015 financial statements.

Review of monthly Water Resumes and Other Water Related Matters

Attorney Poznanovic reviewed the February resume, and did not find any cases that he thinks the District would have an interest in opposing.

Letters to Homeowner's Regarding Locating Curb Stops

Letters were sent to sixteen homeowner's in Box Elder Creek Ranch regarding a request to locate the curb stop and, in some cases, the curb stop and water meter pit on their property.

To date, I have received correspondence from seven homeowners. Of the seven, six homeowners were able to locate their curb stops. Operations staff visited the properties and inspected and when possible exercised the curb stop and provided pictures. At the time of this writing, I have a few questions regarding the remaining curb stops and will speak with Mr. Rabas prior to the Board meeting and provide an update at the meeting.

Summary of mid-month meeting with Directors Fleck and Wyckoff

Director Fleck and Wyckoff, Mr. Simons and I met on April 24, 2015. Topics discussed were as follows:

- Continued discussions on concentrate management efforts.
- Discussed GridBee Aerator Proposal and options.
- Discussed operational issues.

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
March 23rd – April 24th

3/23/15: Regular checks and readings. Cleaned the chlorine injector.

3/24/15: Regular checks and readings. Onsite for generator service. Completed housekeeping, flushed fire hydrants, installed new filters on Rocking Horse Farms VFD.

3/25/15: Regular checks and readings.

3/30/15: Regular checks and readings. Collected and delivered alluvial well samples. Completed a locate at 16370 Jalna Ct.

4/1/15: Regular checks and readings.

4/3/15: Regular checks and readings.

4/6/15: Regular checks and readings. Cleaned the green pump house. Mixed RO antiscalent.

4/7/15: Additional site visit to complete a locate at 16670 Tree Haven St.

4/8/15: Regular checks and readings. Installed new filters in RO prefilter.

4/10/15: Regular checks and readings. Placed aerator in pond. Repaired a chlorine leak. Hauled out the trash.

4/13/15: Regular checks and readings. Collected and delivered concentration pond samples.

4/15/15: Regular checks and readings.

4/17/15: Regular checks and readings. Greased all pump motors. Checked fluid levels in generators.

4/20/15: Regular checks and readings. Collected and delivered alluvial well samples.

4/22/15: Regular checks and readings. Checked the Rocking Horse Farms well for any coating failures.

4/24/15: Regular checks and readings. Cleaned the RO Building.

Operations Maintenance issues:

- **Pond aerator installation** – *completed 4/10/15*
- **Status of valve box inserts and markers project** – *still in progress*
- **Check valve replaced at BECR, stop leak?** – *No, the leak is still happening. Jeff and Brad will need to address on their next visit*
- **RHF leaking radiator** – *looking for repair alternatives other than Rocky Mountain Power Generation's quote.*

Mar 23rd – April 24th

RO Run Time Hrs	180.30 hrs
RO Concentrate Flow – 1 pond	356,994 gallons

3/17/15 (results not available until next report)

Monthly Testing	TDS(mg/L)	Calcium (mg/L)	Magnesium (mg/L)	Total Hardness(mg/L)
BE (3/11/15)	274	17	2.8	53.7
RHF	324	21.5	3.6	68.3
GRN	302	18.6	3.1	59.1

***April samples were completed 4/13/15 – results will be available for the next report.**

Completed Work Order List Report

Completed	Equipment Number	Task	Priority	WO#	Type
4/20/2015	ALV-1 Well	EDOP Sampling	1	462.01	Scheduled
4/20/2015	ALV-2 Well	EDOP Sampling	1	463.01	Scheduled
4/20/2015	BOX BP1 motor	grease grease pump motor	1	467.01	Scheduled
4/20/2015	North Concentrate Pond	EDOP Sampling	1	464.01	Scheduled
4/20/2015	South Concentrate Pond	EDOP Sampling	1	465.01	Scheduled
4/17/2015	BOX BP1 VFD	Clean Eqp Clean Equipment	5	468.01	Scheduled
4/17/2015	BOX BP2 motor	grease grease pump motor	1	469.01	Scheduled
4/17/2015	BOX BP2 pump	grease grease pump motor	5	470.01	Scheduled
4/17/2015	BOX BP2 VFD	Clean Eqp Clean Equipment	5	471.01	Scheduled
4/17/2015	BOX BP3 motor	grease grease pump motor	1	472.01	Scheduled
4/17/2015	BOX BP3 VFD	Clean Eqp Clean Equipment	5	473.01	Scheduled
4/17/2015	BOX BP4 fire pump	grease grease pump motor	1	474.01	Scheduled
4/17/2015	BOX Generator	Ck Fuel Check Fuel Level	5	475.01	Scheduled
4/17/2015	GN Booster pump 1	grease grease pump motor	1	476.01	Scheduled
4/17/2015	GN Booster pump 2	grease grease pump motor	1	477.01	Scheduled
4/17/2015	GN Booster Pump 3	grease grease pump motor	1	478.01	Scheduled
4/17/2015	GN Generator	Ck Fuel Check Fuel Level	5	479.01	Scheduled
4/17/2015	RHF BP2 motor	grease grease pump motor	1	480.01	Scheduled
4/17/2015	RHF FH1	FH Flush Fire Hydrant Flush	2	481.01	Scheduled
4/17/2015	RHF fire pump	grease grease pump motor	1	482.01	Scheduled
4/17/2015	RHF Generator	Ck Fuel Check Fuel Level	5	483.01	Scheduled
4/13/2015	Boxelder Pump Buildi	TDS and Hardness	1	466.01	Scheduled
4/13/2015	GRN Pump Building	TDS and Hardness	1	466.03	Scheduled
4/13/2015	RHF Building	TDS and Hardness	1	466.02	Scheduled
4/13/2015	Water Sampling	Bacti Bacti Sampling(069)	1	484.01	Scheduled

TZA Water Engineers
a Lamp Rynearson Company

12596 W. Bayaud Ave., Ste. 330
Lakewood, Colorado 80228
303-971-0030
tza4water.com

GREATROCK NORTH WATER AND SANITATION DISTRICT
ENGINEER'S REPORT
APRIL 28, 2015

Concentrate Management Options

As noted at the April Board meeting, we have shifted our attention from concentrate disposal to concentrate management and are looking at several options, including the GridBee mixing equipment to enhance evaporation and beneficial reuse applications. Another option, the Altela technology, recently informed me that they will conducting a pilot demonstration for East Cherry Creek Valley, but I do not have the details as of the time of this report.

Greatrock North Pump Station Improvements

Bids for the project will be received at the District Manager's office in May, and a recommendation for award to a qualified contractor will be brought to the Board at the June 2 meeting. I will advise everyone of the pre-bid meeting date and time if you are interested in attending.

Reverse Osmosis Condition Assessment

Pure Water Solutions has executed the Independent Contractor Agreement to inspect the RO unit in greater detail and attempt to calibrate the unit's parameter sensors, including inlet conductivity, permeate conductivity, permeate temperature, inlet pH, inlet oxidation reduction potential (ORP), permeate flow, and concentrate flow. I will coordinate Pure Water's site visit with Ramey Environmental Compliance. Other items to be discussed with Pure Water while on-site include anti-scalent and dosing procedures, membrane replacement options, change in pre-filters, and back-washable multi-media filtration addition.

Well, Pump, and Motor Replacements

The District has recently initiated efforts to better understand its well infrastructure and the potential need for replacement of pumps and motors, as well as the well structures themselves. As a part of that effort, TZA Water Engineers is working with Bishop-Brogden Associates to compile the historical aspects of the wells constructed, the pumps installed, and any other improvements (i.e. water level measuring devices) integrated at each site. This information will be used to evaluate the benefits of a pump, motor, and well maintenance program to detect changes in well performance. Early detection of deterioration in well performance will allow less expensive repairs, rehabilitation, or treatment procedures in order to maximize production capacity. This preventative maintenance program will be discussed with the District's Manager, and a formal proposal will be brought to the Board if deemed appropriate.

Engineer's Report
April 28, 2015
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Other Activities

Water Quality and Hardness – Below are tables of water quality data from a series of sampling events:

The total dissolved solids tabulated below show improved water quality as a result of reduced outdoor water usage, but the effects of increased irrigation are obvious based upon the total dissolved solids and hardness concentrations. The production ratios for the month of April as April 27, 2015 were approximately:

- 37% reverse osmosis permeate (41% on March 22, 2015)
- 39% unfiltered Upper Arapahoe well water (40% on March 22, 2015)
- 24% unfiltered alluvial (Alluvial Well No. 1) well water (19% on March 22, 2015)

Total Dissolved Solids (TDS)			
Date	BECR Tanks	RHF Tank	GN Tank
04/13/15	386 mg/l	326 mg/l	322 mg/l
March 2015	274 mg/l	324 mg/l	302 mg/l
02/02/15	350 mg/l	394 mg/l	383 mg/l
01/14/15	350 mg/l	394 mg/l	417 mg/l
12/03/14	417 mg/l	552 mg/l	511 mg/l
10/01/14	538 mg/l	603 mg/l	594 mg/l
07/11/14	565 mg/l	597 mg/l	599 mg/l
03/05/14	586 mg/l	543 mg/l	566 mg/l
01/08/14	553 mg/l	559 mg/l	575 mg/l
10/28/13	677 mg/l	643 mg/l	594 mg/l

The total hardness results tabulated below also reflect improved water quality:

Total Hardness (as CaCO3)			
Date	BECR Tanks	RHF Tank	GN Tank
04/13/15	99.6 mg/l	67.7 mg/l	68.6 mg/l
March 2015	53.7 mg/l	68.3 mg/l	59.1 mg/l
02/02/15	83.4 mg/l	113.8 mg/l	104.6 mg/l
01/14/15	105.2 mg/l	123.0 mg/l	111.7 mg/l
12/03/14	115.3 mg/l	194.5 mg/l	169.8 mg/l
10/01/14	188.8 mg/l	231.7 mg/l	225.6 mg/l
07/11/14	221.5 mg/l	222.7 mg/l	220.4 mg/l
05/16/14	165.2 mg/l	209.6 mg/l	198.1 mg/l

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April 28, 2015
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For comparison, hardness values are generally classified as:

Classification	Mg/l
Soft	0 – 60
Moderately hard	61 – 120
Hard	121 – 180
Very hard	GTE 181

Draft Storage Tank Rule – The Water Quality Control Division has drafted a Storage Tank Rule (https://docs.google.com/file/d/0B0tmPQ67k3NVUzAyd2dEekt5Tnc/edit) are now expected to become effective in April of 2016. In addition to quarterly periodic (visual) inspections, this rule will require comprehensive inspections to be scheduled at least every five years.

Warranty Inspections – Ramey Environmental Compliance is tracking the 11-month warranty inspections for the following projects:

- Rocking Horse Farms Pump Station – The warranty inspection was conducted by Jeff Rabas on July 18, 2014.
- Box Elder Creek Ranch Pump Station – The warranty inspection was conducted by Brad Simons on January 26, 2015.
- Rocking Horse Farms Tank Repainting – The improvements were inspected and accepted on June 11, 2014. A preliminary warranty inspection was conducted by Ramey Environmental Compliance on April 24, 2015 and I will be contacting Coblaco to address some minor surface rust.

Utility Billings and Energy Costs – TZA continues to track the United Power utility bills and associated water operations. Below are monthly comparisons, as well as a summary of the two-month periods for 2014 and 2015.

	March 2014 Billings				March 2015 Billings			
	On Peak	Off Peak	KWH	Billing	On Peak	Off Peak	KWH	Billing
Alluvial	2329		2329	$276.38	1824		1824	$219.92
BECR	2400	9200	11600	$862.64	2600	11840	14440	$1,127.25
GN	1080	3640	4720	$391.36	1160	4400	5560	$473.48
RHF	640	1440	2080	$202.38	680	1680	2360	$226.60
		Totals	20729	$1,732.76		Totals	24184	$2,047.25

The 2015 billings for March are 118% of the 2014 billings for the similar period. This increase can largely be attributed to the increase in the CTD2 rate from $0.049 per KWH to $0.05858 per KWH (120% increase).

Engineer's Report
April 28, 2015
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	YTD 2014 Billings (3 months)				YTD 2015 Billings (3 months)			
	On Peak	Off Peak	KWH	Billing	On Peak	Off Peak	KWH	Billing
Alluvial	6642		6642	$790.57	5851		5851	$702.14
BECR	8280	33080	41360	$3,028.27	7960	35320	43280	$3,395.49
GN	3320	12000	15320	$1,239.73	3480	13760	17240	$1,453.24
RHF	2000	4680	6680	$637.51	1920	4760	6680	$644.30
		Totals	70002	$5,696.08		Totals	73051	$6,195.17

The 2015 year-to-date billings are 108.8% of the 2014 billings for the similar period. This increase can largely be attributed to the increase in the CTD2 rate from $0.049 per KWH to $0.05858 per KWH (120% increase).

Greatrock North Flow Meter – TZA Water Engineers is supporting Ramey Environmental Compliance with the procurement of magnetic flow meters to replace the suspect and/or failed meters at the Greatrock North water facilities.

Quarterly Operations Review – TZA Water Engineers will continue to participate in the Quarterly Operations Reviews at the request of the District Manager. Action items from the January 26, 2015 meeting are highlighted below:

1) Discuss service matters with Timber Line Electric and Control Corporation since Anthony's departure.
2) Confirm curb stop specifications and communicate to the group. Recommendations communicated to District Manager via e-mail on January 27, 2015.
3) Contact Pure Water Solutions to request quote to calibrate Thornton display and RO probes, etc. Pure Water Solutions presented a proposal to the District on February 20, 2015 which was forwarded to the District Manager via e-mail on the same date. Pure Water Solutions requested modifications to the form of Independent Contractor Agreement and has signed the revised form.

The Second Quarter Operations Review is scheduled for May 5, 2015

Box Elder Creek Ranch Water Company – TZA has been asked to determine the justifiable costs to be charged to the Box Elder Creek Ranch Water Company should the Water Company exercise its option to lease Laramie-Fox Hills water for 2015.